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presstime

The Journal of the American Newspaper Publishers Association

November 1983

The buying & selling of newspapers

chairman's corner

Fairness should be restored to third-class postal rates

Last month ANPA asked the Postal Rate Commission to investigate and recommend ending the U.S. Postal Service practice of allowing direct-mail companies to send unaddressed advertising material by third-class mail using separate address cards.

William C. Marcil

The complaint was filed as a result of a recommendation to the ANPA Board of Directors from the ANPA Newspaper Advertising Bureau National Newspaper Association Joint Postal Task Force. The task force has been studying elements of the present postal system for more than a year, reviewing areas of postal operations that may not serve the best intentions Congress had when it created the USPS in 1970.

In the course of analyzing all elements of the present third-class rate structure, the detached-label practice emerged as an especially unfair part of the system. Even though most important issues deserve public condideration in a general rate proceeding, the Postal Service chose to bypass that process in unilaterally adopting the detached-label procedure without the benefit of public comment.

Our complaint alleges that the Postal Service regulation permitting third-class mailers to use detached address labels with bulk mailings, at no additional charge, violates the Postal Reorganization Act. The use of such address labels, for which no separate postage is paid, unfairly discriminates against other mailers whose rates reflect a fair share of the costs of postal operations.

ANPA requested that the Postal Rate Commission conduct a full hearing on the issues raised in its complaint. If ANPA's complaint is found to be justified—and the Task Force and I believe it will be—the Postal Rate Commission should recommend to the Postal Service that the detached-label provision be deleted or be amended to require payment of the full per-piece rate for the label.

If the current practice isn't changed, other kinds of mail will have to pay the cost of handling the "free" address cards. A second result, equally important to all of us, will be to permit the government to compete unfairly with private businesses. Neither newspapers nor anyone else should have to tolerate a monopoly postal system that has juggled service costs inequitably in order to compete unfairly in the marketplace for the delivery of advertising messages.

We want all users of the mails to have the best postal service possible, of course, and we think the first step toward guaranteeing the quality of this essential *public* service is to restore fairness to third-class rates and regulations—starting with detached labels.

Bill Marcil

William C. Marcil
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NEWSPAPERS ON THE BLOCK:

Buyers ready

Rules changing

By Elise Burroughs
presstime staff writer

The pace of U.S. daily newspaper sales has slowed somewhat since the start of the 1980s, but there are still lots of people playing the acquisition game.

The reasons are manifold.

Purchase prices, measured as multiples of annual revenues, have stabilized or in some cases declined.

The pool of independently owned daily newspapers continues to shrink, from about 869 in 1970 to 533 today.

Moreover, newspapers remain attractive properties because there are so few government regulations involved in publishing them and because profits remain high. According to securities analyst John Morton, the five-year, average, pre-tax profit for publicly held companies, which represent about 26 percent of total U.S. daily circulation, is 18.1 percent, and some privately owned newspapers reportedly return 40 percent.

But what is most different about the acquisition game today is that some of the rules and players have changed.

On the selling side, with interest rates stuck at unusually high levels, investment banking firms have entered the field to handle increasingly complicated financing. To some extent, their emergence has come at the expense of a small but influential cadre that has been part of the newspaper scene for decades—newspaper brokers.

Robert Lovelace

On the buying side, in part because many of the newspapers available for sale are in the range of 20,000 circulation or less, the names of firms that specialize in small operations, such as Donrey Media Group and Park Communications Inc., are figuring more prominently in sales. Most larger groups have been relatively quiet on the newspaper acquisition front; many of them, such as Knight-Ridder Newspapers Inc. of Miami and Times Mirror Co. of Los Angeles, have been dabbling in new electronic technologies.

PAPERS FOR SALE

60-year-old weekly $100M gross. Building. Recreational-agricultural area. Great town, great potential. Reply to Box 60-A.

Working investor wanted fo mid-sized county seat daily. Mus have newspaper experienc eventual buy-out and total own ership, a possibility or will co sider outright sale to the rig person. Owners have other bu ness interest. Located in sm historic town, close to growi suburban area. Zone 2. Princip only. Reply to Box 76-B.

Your own good references $10,000 cash down will buy -year-old mom/pop weekly les should net $ to pay out culation reply st Rep

Three-county seat weeklies plus shopper. $900,000 gross plus. Excellent growth area. Zone 5. Reply to Box 62-A.

dmg. Recr... area. Great town, great p... Reply to Box 60-A.

l established county seat daily, ge two story building, could ate one or two downtown artments. $95,000 down. Re- to Box 11-B.

mi-weekly, plus only other aper in high income county. wner paid taxes on $250,000 in st two years. Good two story uilding. Reply to Box 55-A.

Your good references and $7,000 cash down will buy 42- year-old weekly in Florida. Couple should net $23K or more. 10 years to pay out balance of $23K. Reply to box 49-A.

Kansas weekly serves community of 30,000 with growing retail base. Plant renovated within the past five years. Downpayment of $35,000. Principals only. Reply to Box 30-B.

Bi-weekly serving beautif Maine coastal area. Good pot tial. Only $25,000. Reply to 11-A.

Good references and $10 cash down will buy 6 mom/pop weekly ple should net years to pa $20,000

Old

Weekly in suburban sett to-date facility with room for e pansion. Reply to Box 11-A.

By Owner: Exclusive Kansas weekly in prosperous city of 5,500. Established 89 years. Sell for $500,000 gross. Requires 25% down. State financial qualifications. Reply to Box 32-A

Connecticut daily in growth area. Gross $75,000. $55,000, $25,000 down. Reply to Box 21-B.

Zone 5 century old daily paper, sound record bility, paid cir husband/wife te financial Box

Old newspapers never die, they just change hands

Brokers and newspaper company executives are quick to point out, though, that larger companies have not turned their backs on the newspaper business. With something of a shakeout going on in cable television and other telecommunications fields, newspapers generally remain attractive acquisitions.

Exceptions are long-established metropolitan dailies in competitive markets, such as the Cleveland Press, The Bulletin of Philadelphia, The Washington Star and The Courier-Express of Buffalo, N.Y. Their owners found it more financially advantageous to close the newspapers than to arrange a sale.

And the owners of the Chicago Sun-Times, who announced earlier this year that the paper is for sale, so far have not found the right buyer.

Selling a paper. But in general, daily newspapers attract interest from many prospective purchasers. Even rundown properties can expect to be looked at by people willing to consider trying to turn them around.

"Any daily newspaper can find a buyer," says broker LeRoy Keller.

But the decision to sell is almost always an "agonizing" one, brokers say. One reason is because the newspaper typically is intertwined with the community it serves.

"The family wonders, 'How will we be viewed in the town?' They must make a mental, moral, psychological decision, and they never do it easily," says newspaper broker Gerald O. Reilly.

Reasons for selling an independently owned newspaper fall into five basic categories.

- An aging owner is faced with disposing of a thriving property that no one in the family cares to run.
- A newspaper that once supported one small family has, over the years, come into the hands of a large number of heirs who are dissatisfied with the return on the business and who want to take out their shares for investment elsewhere.
- A newspaper needs heavy capital investment to remain competitive, and the owner is reluctant to take on debt of this magnitude.
- A publisher who has several newspapers may have to sell one to finance the costs of upgrading the others.
- Perhaps most common, a family may be forced to sell an inherited newspaper to pay estate taxes. Despite some favorable changes in estate tax law in recent years, family businesses still are valued for estate tax purposes at what they would bring on the open market—not at what they actually produce in income. This means families often lack sufficient cash to pay estate taxes on the death of a principal owner.

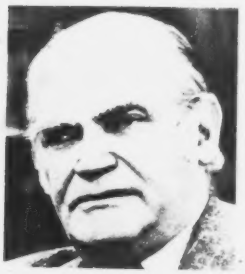
One typical case was cited by the newspaper business's Tax Law Action Group at a June hearing of a subcommittee of the Senate Finance Committee. The Salisbury (N.C.) Post, a family-owned daily with annual revenues of $4 million and earnings of $400,000, could face valuation of $20 million and a potential tax bill of up to $9.8 million upon the death of a principal owner.

Post Publisher James F. Hurley III says he doesn't expect such a catastrophic tax bill all at once because "no one owns more than 25 percent" of the newspaper's shares. He concedes, however, that the tax depends largely on how the federal government values those shares.

Len R. Small, a member and former chairman of the action group, says the slight decline in overall newspaper prices has not eased discrepancies between actual income and market value. In fact, he says, changing market conditions make it even more difficult for a family to anticipate exactly how much taxes will be.

For example, attorneys for the estate of newspaper publisher Samuel I. Newhouse filed a suit in September challenging the Internal Revenue Service's valuation of the Newhouse estate. (See story, p. 49.) The government claims Newhouse, who died in 1979, left a taxable estate of $961.6 million, but taxes were paid on only $90.9 million—the amount at which the heirs valued the estate. If the government claim is upheld, the estate could be liable for taxes and penalties totaling $914.2 million, an amount that might force the sale of some newspaper properties, Small notes.

Buyers abound. Any or all of the above pressures may come into play in an owner's decision to put a newspaper on the



"We move rather fast, and we don't trade too hard" in buying daily newspapers at the rate of one per quarter in recent years.

Roy H. Park
Park Communications

block. Among possible bidders are giant, publicly held corporations, closely held private companies, rich investors with fantasies of Citizen Kane and experienced newspaper professionals dreaming of William Allen White.

Newspaper companies include some 160 groups, from prominent ones like Gannett Co. Inc. of Rochester, N.Y., and Toronto-based Thomson Newspapers, whose top executives constantly cultivate lines of communication with prospective sellers, to tiny two-newspaper groups like Delphos (Ohio) Herald Inc.

Public corporations and private companies usually are on the prowl for acquisitions, largely because they view spending to acquire new properties as the best way to grow while at the same time lowering their tax bills.

A 1982 study by the Rand Corp. found that in spending retained earnings to buy more properties, a company not only avoids paying some taxes but also gains new property that can be depreciated for further tax savings. Rand researcher James N. Dertouzos reported that on the average, every dollar spent buying a newspaper generates a tax savings of 25 cents for the purchaser [presstime, March 1982, p. 52].

Among the most eager buyers in recent years has been Fort Smith, Ark.-based Donrey, a rapidly growing company that continued to buy newspapers throughout the recent recession. The reason for this strategy is simple, according to Executive Vice President Frederick W. Smith: "You buy newspapers when they are available."

Roy H. Park, president of Park Communications of Ithaca, N.Y., says his firm has been buying dailies at an average rate of one per quarter in recent years for the same reason. "We move rather fast, and we don't trade too hard," says Park, whose firm is scheduled to go public by the end of this year.

Some newspapers still are sold as a result of chance meetings between publishers, through contacts at professional meetings, from ads in trade magazines or because an intermediary representing a buyer presents a seller with an offer "too good to refuse".

A number of transactions, such as Donrey's recent purchase of the Columbia, Tenn., Daily Herald, are private deals arranged between buyer and seller with no intermediaries and no public disclosures. Terms are usually whatever best suits the seller—cash, stock from the purchasing company or some combination of the two. "It's very much a seller's market. I didn't need any go-between to come up with a good buyer and a good price," says Sam D. Kennedy, former Daily Herald owner.

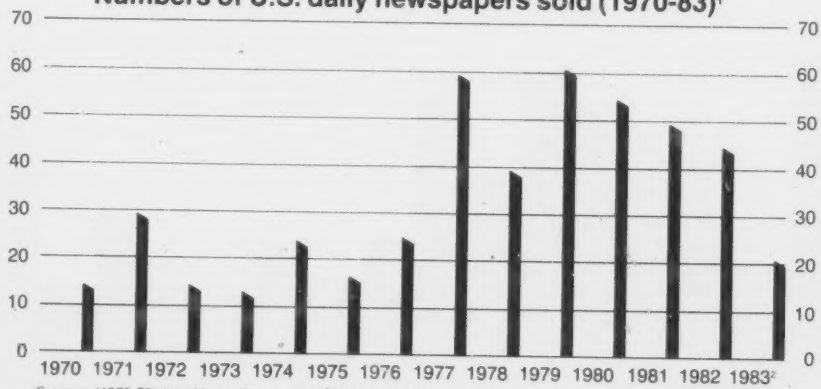
Securities analyst Morton, who works for the investment firm of Lynch, Jones & Ryan in Washington, D.C., says it is difficult to generalize about prices because sales are fewer and farther between than they once were, and because much of the price depends on individual market characteristics.

Brokers say a price averaging two to three times annual gross revenues for dailies, and one to one-and-a-half times revenues for non-dailies, is a reasonable expectation.

However, there are many exceptions. A Southern daily reportedly sold recently for five times annual revenues.

In contrast, Gillet Corp Inc. of Nashville, Tenn., reached an agreement in principle in September to acquire the Appleton, Wis.-based Post Corp. for $118.4 million. That price is only 1.4 times the company's 1982 gross revenues of $84.1 million, but Morton says it is reasonable for the group, which owns daily newspapers, non-dailies, broadcast stations and commercial printing plants in nine states. "Their newspaper properties are in the Midwest and Northeast," Morton notes, and those markets are viewed by potential buyers as not as promising as those in the Sun Belt.

Numbers of U.S. daily newspapers sold (1970-83)[1]



Sources: (1970-79) John Morton Research, (1980-83) presstime.
[1]Through mid-October

Wall Street gains foothold. One of the biggest dollar purchases of a newspaper company took place last year in Jacksonville, Fla. The sale was noteworthy not only because of the price Florida Publishing Co. fetched, but also because the sale was handled by an investment firm in bidding-war fashion.

Lehman Brothers Kuhn Loeb Inc., based in New York City, orchestrated a two-stage bidding process for the company, and it attracted some of the most prominent names in the newspaper business.

In the end, Morris Communications Corp., a private Georgia company with estimated 1982 media revenues of $117.6 million, spent an estimated $200 million for the firm, publisher of two dailies in Jacksonville and one in St. Augstine. That price was roughly 3.5 times the annual gross revenues of Florida Publishing, and the financing was so intriguing it was the subject of an analysis in Forbes business magazine.

Investment banking firms like Lehman Brothers gained a toehold in newspaper sales when large corporations accustomed to using them for other types of mergers and acquisitions began divesting their newspaper properties, explains Douglas H. McCorkindale, executive vice president and chief financial officer of Gannett and president of its Diversified Media Division. For example, E.I. DuPont de Nemours and Co. chose that method to sell its Wilmington, Del., newspapers to Gannett in 1975. And the previous owner of Florida Publishing was CSX Corp., a transportation and natural resources conglomerate.

Because such sales have been perceived as successful for sellers, the names Lehman Brothers, Morgan Stanley and Co., Goldman Sachs & Co. and others are appearing more frequently in connection with newspaper sales. Lehman Brothers handled the recently announced sale of The Houston Post, and that firm also is overseeing the offer to sell the Chicago Sun-Times.

While Goldman Sachs refuses to discuss its newspaper sales, a spokesman for Lehman Brothers says his company has much to offer a prospective seller. James W. Hood, director of marketing for the firm, describes Lehman Brothers as "the worldwide leader in mergers and acquisitions" whose employees are well-versed in the interests, assets and corporate strategies of "tens of hundreds" of major corporations.

According to Hood, the firm can appraise a newspaper's value; advise whether to sell properties separately or as a package; make the the papers' availability known to a list of prospective buyers; obtain bids from the buyers in a competitive process that Hood says often will bring higher offers than other methods; figure out which terms are most advantageous, in the long run, to the seller; and, if necessary, help arrange financing. For these services, the firm receives a fee that Hood declines to disclose.

"One owner said, 'I want to sell for the highest price, and I don't want any of this nonsense about editorial quality.' "

Lee Dirks
Detroit broker

The role of brokers. The use of investment banking firms, with their "one-stop service" on accounting, legal and sales questions, has helped transform what for generations was a quiet, gentlemanly process of selling newspapers—newspaper brokering.

"Honesty," "integrity" and "expertise" are the terms newspaper brokers use to characterize their business. Another hallmark of the trade is discretion. They almost never speak candidly on the record about clients or potential clients.

Brokers themselves are a somewhat mysterious breed of professionals. Although more than 40 advertise annually in the *Editor & Publisher Year Book*, only half of that number work regularly as newspaper brokers, and a mere half-dozen are responsible for most newspaper sales. All the leading brokers are male and almost all operate one-man shops.

"Clients want to deal with one person, not someone on a staff," Reilly, a Rochester, N.Y.-based broker, explains.

"It's a very personal business," says veteran broker Keller.

Brokers say it doesn't much matter where home is because they spend as much as 50 percent of their time on the road. Thus, their offices are scattered in diverse locations, from Park Avenue in Manhattan and the Renaissance Center in Detroit to Shawnee Mission, Kan., and Montclair, Calif.

Mel Hodell, the Montclair broker, specializes in California newspapers. He has a real estate broker's license and a license from the California Department of Corporations as a broker-dealer, but he is an exception. Most newspaper brokers, unlike real estate brokers, are not licensed because the states in which they operate do not require it.

Newspaper brokers have no professional association, and they claim only vague awareness of each other. "We're all such independent cusses," says Lee Dirks of Detroit.

They usually have many years of experience in the newspaper field, although their backgrounds vary. For example, Dirks was a reporter and a securities analyst; Robert N. Bolitho owned and published four Kansas newspapers; Gerald O. Reilly was a newsprint broker; Leroy Keller was a vice president and general sales manager for United Press International.

Brokers generally enter the field with extensive contacts that they maintain and enlarge through visits to publishers and through attendance at newspaper business meetings. Although some occasionally handle broadcast, magazine or cable sales, most newspaper brokers stick to daily and non-daily newspaper sales because that's where their expertise is.

While the typical newspaper publisher may know everything there is to know about his own operation, brokers say that knowledge does not necessarily equip him or her to set a proper market price for a newspaper. For example, Dirks recalls a case where family members underesti-

- **Billy Morris profiled, p. 28**
- **Small family groups sketched, p. 47**

mated their paper's value by $10 million.

The traditional brokerage commission is 5 percent of the purchase price, but under the strain of today's multimillion dollar prices, that has been modified. The standard now is 5 percent of the first $1 million, 4 percent of the second million, 3 percent of the third, 2 percent of the fourth and 1 percent of subsequent millions. Thus, in a $10-million sale, the broker would net $200,000.

In some cases, prices are so high that brokers as well as sellers stipulate that payments be stretched over several years to reduce tax liabilities.

While they declined to give figures, brokers say their business is a lucrative one for the handful who pursue it full-time.

To keep it lucrative, brokers strive to stay attuned to the various melodies of the newspaper marketplace. Gannett, for example, looks primarily for dailies with circulations of 20,000-75,000, although it also has made larger purchases, like The Cincinnati Enquirer and Honolulu Star-Bulletin. Knight-Ridder is on the lookout for properties in the 100,000-200,000-circulation range in promising markets. Park Communications, on the other hand, concentrates on dailies with circulations of 10,000-20,000, as well as non-dailies with potential to become dailies.

Brokers say they track these preferences more closely than any non-specialized firm could and thus can eliminate unlikely prospects and offer a seller a list of *bona fide* potential buyers.

Conversely, brokers also are retained on occasion by these potential buyers. Individuals or companies will approach a broker for assistance in a search for a particular type of newspaper. A broker then uses his contacts to select possibilities, sometimes sounding out owners long before a sale actually takes place. In other cases, a buyer knows exactly which property he or she wants but uses a broker who knows the owner to make the initial contact.

Because brokers generally are not attorneys or accountants, sellers must rely on other professionals for legal and financial advice for sales, and buyers usually arrange their own financing with banks they have used in the past. The actual transfer of property typically takes place in the office of the seller's attorney, with fewer than a dozen people in attendance.

Aside from commissions on sales, brokers earn flat fees for performing appraisals, consulting work and other services. Dirks, for example, annually tracks 350 different newspaper operations, a number that includes the remaining independent daily newspapers with more than 10,000 circulation, plus non-daily groups with total circulations of more than 100,000. He uses a computer model to evaluate more than 30 criteria of the newspapers and their

Absentee owners: Good or bad for community?

By Robert M. Shaw

Is there any value in a newspaper being owned by a person who lives in the same community the newspaper serves?

Do locally owned newspapers tend to be better, more responsible, journalistically different from those owned by people who don't live in the community?

Robert M. Shaw

Is the behavior of most managers of group-owned newspapers different from the behavior of single-newspaper owners who live in town?

If there is any value at all in local ownership of any mass communications medium, what exactly is it?

I suppose I belong to the "old school" of newspaper people who simply assumed there was value to local ownership. We didn't have any proof of this; we just assumed it. We didn't think about it, didn't question it any more than we'd question the First Amendment.

Just the same, the principle of local ownership was reinforced from time to time by some articulate people who asserted roundly that yes, by golly, there *was* value in such ownership. The value lay in the total independence of the publisher to say or do anything he or she thought ought to be said or done. I can recall a couple of stirring speeches made on this point.

No more. Some things changed in the late 1960s and '70s. The people changed. The character of state association meetings changed, and I think there is an important message in the change.

When I got into newspaper association work in the early '60s, I quickly learned that it is an awesome thing to face a room filled with newspaper publishers: most of them men, all self-made in the best Horatio Alger tradition, all big frogs from little ponds, most having no hesitation about speaking out about any subject.

The meetings I refer to were groups of 15 to 50 publishers, almost all of them from weeklies, who were called by their state association for broad discussions of association policy. We had some wide-open and even raucous meetings. I got to enjoy them.

But things started to change in the '70s. I noticed that the meetings were getting calmer. The ornery cusses—the men who used to embarrass everybody with their ignorance and bad manners—gradually left the scene. Instead, there were more and more well-dressed young men out there who sat and smiled, said nothing, but took lots of notes on yellow, legal-sized pads.

What was happening, of course, was the replacement of the "ornery cuss" press by trained managers. It was more difficult to get responses from this mixed group. The well-dressed young men said little or nothing about policies under discussion because they weren't authorized to do so. They took notes instead and then, back home, telephoned company headquarters for counsel and advice.

All but four dailies in Minnesota were bought by multiple owners. Ownership of suburban papers, too, consolidated. In the late '70s, some large, county-seat weeklies started to sell out to groups. Some of my friends told me they had been getting repeated telephone calls from distant people who promised fantastic sums for the sale of their newspapers. One of these, O.B. Augustson, who owned a substantial part of The Willmar Daily Tribune, said he was visited several times by people who, Bibli-

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Shaw, manager emeritus of the Minnesota Newspaper Association, currently is engaged in various writing projects.

markets. The resulting reports are sold to a limited number of prospective buyers.

Advantages. Transactions handled by brokers often are completed before the public—or newspaper employees—even know a newspaper is for sale. In contrast, Dirks says, widely publicized auction sales such as that of Florida Publishing Co. can be unsettling both to staff and to the community. During the weeks or months while buyers haggle and rumors swirl, "there is a lot of discombobulation," he says.

What's more, brokers say, investment firms gathering bids are not able to take into consideration non-financial factors—such as finding a buyer who will operate a newspaper in a way the seller approves of—and to tailor the sale accordingly.

"I know of one owner who said, 'I want to sell for the highest price, and I don't want any of this nonsense about editorial quality,'" recalls Dirks, "and I know of another who screened potential buyers like someone who was going to marry his daughter. A few companies place a very heavy emphasis on editorial matters, while others place their emphasis on the bottom line."

A few newspaper owners who want to maintain their newspaper's community ties have sold their properties to employees. The outcome has been mixed [presstime, Aug. 1983, p. 36].

In other cases, the sales agreement has stipulated a certain level of involvement by the seller after the transaction or of protection for long-time employees.

While announcements of newspaper sales commonly carry the statement, "No major changes in policies or personnel are planned," newspaper buyers vary tremendously in how much they ultimately change the papers they purchase. While many companies routinely replace key executives with their own people, others, like Park, frequently encourage former owners to remain as publishers, editors, consultants or board members.

At Gannett, sellers often end up as owners of considerable blocks of Gannett stock and also in key company roles. Louis A. Weil III, now Gannett's senior vice president planning and development, is a member of a family that owned newspapers until Gannett acquired the family firm, Federated Publications, in 1971. Weil, like his father, joined the media giant, and he has this to say of the papers today: "I think they're better products, better operated and with better news products."

But not always have there been such positive feelings after an individual or a family sells out to a group.

In another case involving Gannett, the company was sued for allegedly breaching an agreement concerning editorial control of The New Mexican in Santa Fe, a daily it purchased from Robert M. McKinney in 1976. Both McKinney and Gannett have

cally speaking, "took me to the top of the mountain and said 'Look. Before you are all the kingdoms of the world. All this is yours if you'll just sell me the paper.'."

We decided to raise the issue of local ownership among our members at a series of five district meetings. At each one, I sensed something was wrong when I started to talk about local ownership. I made it clear that although I personally favored local ownership, neither I nor the association had any idea what to do about it. An important change was taking place, I claimed, and said the publishers should be aware of what was happening.

Nobody wanted to talk about it. Part of the reason, of course, was that there were representatives of newspaper groups in the room. I half-expected, though, that given the uninhibited nature of newspaper people, somebody would have jumped up and given me the benefit of an opinion or two.

The light dawned during our next-to-the-last meeting. I was describing the offers that some of my friends had said they received. A man sitting in the back row, whom I knew well, his chair propped against the wall, waved silently to me and then pointed to his own head as if to say: "Me too! I've got one too!"

I guess it was the great, big smile on his face that made me see the light. All of a sudden, standing up there in front of those publishers, many of them my friends, earnestly trying to describe what I knew, I saw it. Nobody wanted to talk about group ownership because whoever in the room hadn't already been bought out or was currently negotiating was waiting—hoping—to be asked!

Most of them were men who had worked very hard publishing newspapers, some being able to recall that long, long, deadly night work in the old letterpress days. Many of them were tired.

Following that meeting, we did have, for a year or so, a special committee to study ways of promoting independent ownership. One of the members of this committee (a publisher of a family-held daily) spent a lot of time working with congressmen on tax laws which he claimed (and I agree) are close to the cause of this problem.

But something else was operating here too, and that's the power of lots of money. When you have a person who has worked long and hard, whose children show no interest in taking over the paper, and who knows one's editorial pizzaz is gone, never underestimate the power of a million bucks—or even $500,000—when it walks in the front door.

When the golden-throated broker or lawyer from a group paper holds out the prospect of going to Maui for life, don't let anybody get in the way.

And now to the central question: Are group-owned papers better or worse than independent, one-owner ones?

I've talked to some thinkers in our journalism schools about this and have picked up a new reason why group papers can be better: An independent owner tends to develop conflicts of interest just from knowing and liking people in his community. He comes to regard his paper as a house organ for his community and not a dependable source of facts. Managers of group papers, on the other hand, don't have to kowtow to local power structures. They are freer to practice independent journalism than owners who live in town.

Do groups take out more than they put into communities?

Are group papers improved by having more resources, better training, a more solid economic base?

I don't know. I don't know how anyone could be sure.

But I am sure of one thing: Something valuable went out of our newspaper tradition when managers taking notes replaced the old, ornery, independent cusses who once characterized the American press. Their worst was embarrassing, but their best was better than what we have now; and, if I may refer to Shakespeare, we are not blessed in the change.

On the day he announced acquisition of The Tribune, Oakland Publisher Maynard (left) celebrated with (from left) his wife Nancy C. Hicks, board member Shirley Temple Black, Chief Financial Officer Fred O. Wetton, and board members Warren Lerude and Robert M. Fisher.

appealed portions of an order by federal Judge Santiago Campos to return ownership of the paper to McKinney.

A more recent negative example followed the 1981 sale of family-owned The Kokomo (Ind.) Tribune to Thomson Newspapers. The former editor complained bitterly in The Quill magazine that the editorial product was being damaged by the new owners. Thomson executives reply that the paper is better today than it was before, and that even before the sale the Tribune was being battled by a weekly started by another former Tribune editor who claimed the daily had lost touch with readers.

But even though most brokered newspaper sales do not touch off such animosity, brokers' claim of an edge in providing satisfaction to both sides in a sale has not protected them from hard-charging investment firms and banks.

Although individual brokers maintain there will always be enough business to see them comfortably to the ends of their careers, one said in a not-for-attribution comment that brokers of daily newspapers are a dying breed.

Analyst Morton agrees that brokers eventually will be extinct, not only because of increasing competition but also because sooner or later groups will control nearly all daily newspapers.

According to Robert. Lane, statistician for Morton's firm, the percentage of U.S. daily newspapers owned by groups has grown from 60.8 percent in 1978 to 68 percent today. The percentage of daily circulation controlled by groups is even higher, 76.2 percent.

Morton estimates that within 10-20 years, the only daily newspapers not under group ownership will be those whose owners simply refuse, for philosophical reasons, to sell. When that time comes, acquisitions of large groups of non-dailies, already surging, will occupy even more of center stage, Morton predicts.

Groups as sellers. Even groups sell newspapers occasionally. Most often, the

newspaper is one that came as part of a package and is too small, too remote or otherwise does not fit the profile of the company's established holdings. Such an oddball property usually is unloaded to another group that specializes in those kinds of newspapers.

In other cases, a company that excels in running large newspapers confidently enters smaller markets expecting to work wonders. While The New York Times Co. and Tribune Co. of Chicago have enjoyed success with such ventures, others have wound up selling their new acquisitions within a few years. That happened to Affiliated Publications, owner of The Boston Globe, after it bought The Transcript in North Adams, Mass.

The Washington Post Co., which has one very profitable metropolitan daily, has had mixed results with smaller properties. While the Post's Everett, Wash., daily is judged a success, the company sold The Trenton (N.J.) Times in 1981 after seven years of ownership during which the paper lost millions of dollars.

Another reason for sales by groups is compliance with federal directives. Gannett's McCorkindale says his firm normally sells newspapers only when it is forced to because of possible antitrust problems or because of Federal Communications Commission regulations, as with the recent sale of The Tribune of Oakland, Calif., to Publisher Robert C. Maynard.

Although The Tribune, as a metropolitan daily in a competitive market, never did fit the image of the typical Gannett paper, the announced reason for the sale was an FCC rule that required the company to divest in order to buy a television station in the same market. The sale of KRON-TV of San Francisco subsequently fell through, but The Tribune sale stands. (See story, p. 50.)

Most newspaper business executives do not believe Maynard's purchase of The Tribune signals the start of a trend, but some brokers say it is not inconceivable for more individuals to take over newspapers from groups.

Walter B. Grimes, a broker based in Washington, D.C., says that as broadcast audiences splinter and the computer revolution continues to make newspaper operations more efficient, more individual entrepreneurs may be encouraged to get into the newspaper business.

"Probably out of 100 percent of (prospective) first-time buyers, 75-80 pecent are not qualified." After "talking to me, they realize that."

Mel Hodell
California broker

Individual buyers. For now, most individuals simply are priced out of the daily newspaper market. More realistic possibilities are small non-dailies outside metropolitan areas.

California broker Hodell says that whenever someone approaches him about buying a newspaper, he questions him or her about three things: experience and capability in the newspaper business, personal interests and desire to run a newspaper, and financial capability.

"Probably out of 100 percent of (prospective) first-time buyers, 75-80 percent are not qualified. By the time they get through talking to me, they realize that," Hodell says.

Other brokers agree that individuals routinely underestimate the amount of capital they will need, not only for the purchase but also as a reserve for future equipment or expansion. The newsroom hand who aspires to own a paper also might not realize the demands on time and skill required of community-newspaper publishers. "They must be jacks of all trade—advertising, accounting, production," Hodell says.

And, as Washington broker Grimes points out, many big-city journalists accustomed to salaries in the $40,000 range overestimate the income they can expect from a non-daily publication.

Moving from the big city to a rural area with few amenities may be a shock, too.

But for those with the right kind of experience and the willingness to go wherever properties are available, a down payment of $25,000-$50,000 can turn a mere employee into a publisher. Commonly, the seller will finance the balance of the deal, with payments over 10 years.

Sometimes, buyers ignore warnings and advice and buy a newspaper on a shoestring. The usual result, Hodell says, is that the buyers "stay in business six months to two years and then sell."

Even buyers who are willing to make a longer-term stab at small-town newspapering may find the dream is not worth the cost. David and Cathy Mitchell bought the Point Reyes Light in Marin County, Calif., with $50,000 in 1975 and by 1979 had won a Pulitzer Prize for public service. Circulation never rose above 3,300, however, and the financial and career strains were a factor in the couple's eventual divorce. They sold the paper in 1981.

Despite such unhappy examples, the demand for newspapers remains strong. Brokers and newspaper executives see no signs it will lessen or that prices have reached a peak. As brokers are fond of pointing out, a fair price for anything is whatever one party is willing to pay and another party is willing to accept.

For the foreseeable future, newspapers are expected to remain a scarce and sought-after commodity. □

Court rejects JOA case but will rule on ads, libel

The U.S. Supreme Court has refused to hear an appeal of the joint operating agreement between The Seattle Times and the Seattle Post-Intelligencer.

But it agreed to hear another case from Seattle dealing with rights of a newspaper to publish information learned in the discovery stages of a libel suit against it, and a case challenging a liquor advertising ban in Oklahoma.

The high court also dealt with four other press-related cases.

In Seattle, opponents of the nation's 24th JOA in *Committee for an Independent P-I v. Smith* challenged the constitutionality of the 1970 Newspaper Preservation Act that allows formation of joint operating agreements [presstime, Oct. 1983, p. 12].

Daniel C. Brewster, publisher of a 27,000-circulation weekly in Seattle and a lead opponent of the JOA, said he was "disappointed" over the court's action. However, Brewster said the detailed and lengthy court battle may serve to prevent "easy mergers in the future."

In the other Seattle case, the high court said it will hear *Rhinehart v. Seattle Times*, dealing with the question of whether newspapers sued for libel may publish information obtained from the plaintiff in discovery stages of the case. A trial court had ordered Keith Milton Rhinehart, leader of a spiritualist church, to divulge information about the church. The order also said the Times may not publish anything it learned when Rhinehart obeyed the instruction. Both sides appealed.

The liquor advertising case the court will hear, *Cablecom General Inc. v. Crisp*, developed when the 10th U.S. Circuit Court of Appeals upheld Oklahoma's ban on liquor ads brought into Oklahoma via out-of-state cable TV programming. ANPA filed a friend-of-the-court brief, arguing that the decision is contrary to previous court decisions because it prohibits truthful, nonmisleading advertising for a lawful product.

In the four other cases, the court:

• Agreed to hear *Spray-Rite Inc. v. Monsanto*, in which the court is asked to overturn a law that makes it illegal for manufacturers to establish prices that independent distributors will charge for goods. The outcome of the case could have an impact on newspapers' relationships with independent contract carriers who buy the newspaper for resale to readers. Under current law, newspapers have no control over how much those carriers charge [presstime, Oct. 1983, p. 4].

• Agreed to hear *U.S. Department of State v. The Washington Post Co.*, in which the State Department has appealed a Freedom of Information Act case. A lower court ruled that the Post may have access to records of an emergency fund controlled by the secretary of state.

• Agreed to hear *Federal Communications Commission v. League of Women Voters*. The government has asked that federal law be upheld prohibiting editorializing by radio and television stations that receive federal funds through the Corporation for Public Broadcasting.

• Agreed to hear *Patton v. Yount*. A Pennsylvania district attorney has protested a federal appeals court decision overturning a murder conviction after the defendant claimed pretrial publicity denied him a fair trial. The district attorney said the appellate court should have been bound to accept a Pennsylvania Supreme Court determination that the trial was fair. □

Another antitrust suit filed; Omaha case settled

Another daily newspaper has been sued for alleged antitrust violations in connection with its total-market-coverage program.

But a longstanding suit against the Omaha (Neb.) World-Herald Co., which was being watched closely by the newspaper business, was settled and dismissed Oct. 12 in U.S. District Court, Lincoln, Neb. The plaintiff in that suit—Sun Newspapers Inc.—went out of business Oct. 4.

In the new case, The Little Dealer, a 27,500-circulation free shopper published in Indiana and Armstrong counties, Pa., sued the paid-circulation Indiana (Pa.) Gazette in U.S. District Court, Pittsburgh, over a shopper the Gazette publishes and mails to non-subscribers.

The plaintiff alleged that the ad rates charged by the Gazette "cannot possibly cover the cost of publishing The GazettExtra, let alone provide for a profit." The Little Dealer said its column-inch ad price was $5, while the Gazette's price was as little as $3 for space in its TMC vehicle and $1 more if the ad is run in both the paid and free publications.

Also alleged is that the Gazette unlawfully tried to use its monopoly position in the market to drive The Little Dealer out of business. The plaintiff started publication in June 1982, about nine weeks before the GazettExtra was launched.

Gazette attorney Jonathan E. Thackeray said the case "will be vigorously contested."

The case is characteristic of a new breed of litigation involving paid newspapers' marketing and distribution activities [presstime, Oct. 1983, p. 4].

In the recently settled case, Sun Newspapers had alleged that the World-Herald Co.—which in addition to Omaha's daily newspaper owns a printing company with a "marriage mail" operation—illegally monopolized the market for local print advertising.

The World-Herald denied the allegations and maintained that Sun Newspapers would have been in the same financial bind even if another firm owned the marriage-mail service. The 20-year-old Sun company is believed to have lost money for most of the last seven years.

The company started as a shopper publisher, but went on to publish weeklies renowned for editorial content. In fact, the Omaha Sun won a Pulitzer in 1972.

Owner Bruce Sagan of Chicago declined comment on the reasons for the shutdown.

The two companies issued a joint statement following the dismissal of the case in federal court, saying: "In view of the expense of litigation and the disruption of their ongoing business activities, the parties have agreed without any admission of wrongdoing or liability to compromise and settle their dispute."

Terms of the settlement were not disclosed. □

Mixed findings on courtroom cameras

Hearst survey reveals public support of 'shield' laws

Americans are split on whether cameras should be allowed in courtrooms, but a majority believes reporters should be permitted by law to keep the identity of sources secret, according to a national survey conducted by The Hearst Corp.

Frank A. Bennack Jr.

The survey of public understanding of the judicial system and attitudes toward press rights under that system confirmed that people get most of their information about the courts from the media, but it also uncovered startling flaws in the American people's knowledge of fundamental legal principles and structure.

Half of all respondents mistakenly said it is the responsibility of a person accused of a crime to prove his or her innocence. And most of those surveyed failed to identify the chief justice of the United States.

Frank A. Bennack Jr., president and chief executive officer of Hearst, said he was particularly concerned about the finding that most people did not realize they are innocent until proven guilty, one of the basic rights guaranteed Americans.

He called for "immediate remedial action" on the part of "everyone concerned with educating and informing the public—the courts, the media, the schools"—to correct "this grievous situation" in public understanding.

The survey showed that most respondents, 57 percent, favored allowing journalists to keep their sources confidential. However, 36 percent disagreed, opposing reporter privilege on confidentiality, while agreeing that journalists should be forced to identify their sources in compliance with a court order. Results showed reporter privilege was favored by 66 percent of political independents, 64 percent of Democrats and 52 percent of Republicans.

Americans were almost evenly split on whether cameras should be allowed in the courtroom, with 45 percent in favor and 48 percent against.

Bennack reported the results in a speech Oct. 21 in San Antonio to the National Conference of Metropolitan Courts. The survey, titled "The American Public, The Media and The Judicial System," involved telephone interviews with 983 men and women. The respondents were scientifically selected by a national polling firm, Research & Forecasts Inc., to reflect various demographic groups across the nation. The possible margin of error on percentages will range from 1.9 percent to 3.2 percent, the pollsters said.

Fifty-four percent of respondents said they "frequently" get information on courts from television news; 51 percent said from newspapers; 28 percent, radio news; and 19 percent, "television drama."

Bennack said the "single, most startling discovery in the Hearst survey, is the revelation that fully half of the American public, exactly 50 percent, does not understand or appreciate the legal concept of innocent until proven guilty."

Only 23 percent of respondents older than 65 said it is untrue that accused people must prove their innocence. But 62 percent between the ages of 25 and 34 knew the statement is untrue.

Sixty-nine percent of college-graduate respondents knew the statement was untrue, compared to 50 percent of high school graduates and 19 percent with an eighth-grade education or less.

Also, while 66 percent of respondents correctly identified Thomas P. "Tip" O'Neill Jr. as speaker of the House, only 41 percent knew that Warren E. Burger is a "judge" rather than a congressman or member of the Cabinet. Forty-one percent did not know who Sandra Day O'Connor is, and 65 percent were stumped when asked the identity of Lewis F. Powell Jr.

A 1977 study conducted for the National Center for State Courts also revealed a low level of awareness about the American judicial system. "Regrettably, little seems to have changed" since then, Bennack said. "Americans today still have a serious misunderstanding about some of our most basic legal concepts and the operations of our judicial system. Things have not gotten better." □

Court briefs

The U.S. Circuit Court of Appeals, District of Columbia Circuit, has agreed to review one of its judge's rulings that **editorial opinion may be libelous** if the writer does not present sufficient facts for "perspective" or if those purported facts are inaccurate.

The appeals court granted an *en banc* hearing in the suit filed by a political science professor against syndicated columnists Rowland Evans and Robert Novak [presstime, Sept. 1983, p. 15].

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Maryland's highest court ruled that reporters who use names of sources in stories **lose protection of the state's shield law** when asked to testify about those sources.

The Court of Appeals upheld a Prince George's County Circuit Court order that reporter Loretta Tofani of The Washington Post testify before a grand jury about alleged rapes in the county jail, a topic on which Tofani wrote a Pulitzer Prize-winning series.

Tofani and the Post had argued that the reporter, under Maryland law, has a "qualified privilege" not to testify.

The Post said it would not appeal the decision.

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The California Supreme Court upheld a **libel decision** against the National Enquirer in a suit filed by comedienne Carol Burnett.

But the court also refused to raise the money award to Burnett, who argued that the $200,000 she is supposed to receive is not enough to deter the Enquirer from publishing libelous stories in the future. Nor is it enough to pay costs to bring such a suit, she said.

The California Appeals Court earlier had lowered punitive damages from $750,000 to $150,000. A $50,000 compensatory damages award was allowed to stand. The original jury award to Burnett in 1981 was $1.3 million in punitive and $300,000 in compensatory damages [presstime, Aug. 1983, p. 10]. □

Committee's bill would give CIA some FOIA relief

The Senate Select Committee on Intelligence has approved a bill to give the Central Intelligence Agency a partial exemption from the Freedom of Information Act.

Spokesmen for most press organizations called the bill a "vast improvement" over the original version.

The bill would exempt certain "operational" files located in three divisions of the CIA—the Directorate of Operations, Directorate for Science and Technology, and the Office of Security.

In calling for such a law, the CIA has said it would prevent highly trained agency employees from wasting time searching for and reviewing documents that the CIA traditionally has not released under the FOIA anyway. The workers could instead turn their attention to the backlog of FOIA requests for information that may actually be released, the intelligence agency reasoned.

The partial exemption approved by the Senate panel Oct. 4 is less than the total-agency FOIA exemption the CIA once sought.

Among changes generally welcomed by the press were amendments to provide for some measure of review by the courts and to specify more precisely what type of operational file will be exempt from search and review under the FOIA in each of the three CIA divisions.

The committee bill "is a vast improvement" from the original proposal, said Bruce W. Sanford, First Amendment counsel for the Society of Professional Journalists, Sigma Delta Chi. "It really appears to be little more at this point than an attempt to alleviate the administrative burden at the CIA in FOIA compliance."

Agreeing that the bill had been much improved were ANPA and the American Society of Newspaper Editors. "It is not a perfect bill, but it is far superior to what was originally introduced," said Richard M. Schmidt, ASNE general counsel.

However, Jack C. Landau, executive director of the Reporters Committee for Freedom of the Press, continued to be critical of the bill. In particular, he criticized as ineffective a change that would provide for search and review of files used in investigations of CIA misconduct.

"If the CIA is violating published presidential policy, State Department policy, its own regulations, executive orders, federal law or the Constitution, it is still protected under this bill," he said.

Committee staff expect the bill will be acted on by the full Senate before the end of the year. Similar legislation is pending before the House Permanent Select Committee on Intelligence but no action has been scheduled.

In another FOIA-related development, ANPA and ASNE have attacked a proposal from the Office of Management and Budget that the Privacy Act be considered one of the statutes under which federal agencies may deny access to records under the FOIA.

In their Sept. 29 comments, the press groups specifically took issue with OMB's statement that a majority of the courts that have reviewed the relationship between the two statutes concluded that the Privacy Act provides an exemption from the FOIA.

The press groups said three federal circuit courts of appeal, including the District of Columbia Circuit where the majority of the FOIA cases are heard, disagreed with the OMB's interpretation, while only two supported it. The conflict between the circuits, they said, can be resolved only by the U.S. Supreme Court or by legislation, not administratively by OMB. □

Senate votes to delay 'lifetime censorship' rules

The Senate voted Oct. 20 to put a six-month hold on President Reagan's plan to require government employees with access to highly classified information to submit for "prepublication review" anything they write after leaving public service.

The plan is part of the President's directive aimed at stopping leaks of classified information.

The Senate action to delay "lifetime censorship" rules came shortly after newspaper groups expressed opposition to the President's directive.

The measure to delay the directive on former government employees but retain restrictions on current employees was approved 56-34. The action was taken as an amendment to another measure that next goes to a House-Senate conference committee for reconciliation.

The amendment's authors were Sens. Charles McC. Mathias (R-Md.) and Thomas F. Eagleton (D-Mo.), both members of the Governmental Affairs Committee that held hearings on the presidential directive in September [presstime, Oct. 1983, p. 14].

Two days prior to the Senate vote, ANPA and the American Society of Newspaper Editors protested the directive at a hearing in the House of Representatives.

Speaking on behalf of both organizations, Charles S. Rowe, chairman of the ANPA Government Affairs Committee's First Amendment/Freedom of Information Working Group, called the directive "another building block in the wall that this administration appears to be building to shut off the flow of information to the public."

He told the Legislation and National Security Subcommittee of the Government Operations Committee that hundreds of books, newspaper columns, lectures and magazine articles would have to be reviewed and cleared annually under the directive.

It is "mind-boggling" to think of the "massive bureaucracy" that would have to be created to handle prepublication review, said Rowe, editor and co-publisher of The Free Lance-Star of Fredericksburg, Va.

If an administration can "censor the comments and criticisms of its predecessors, the potential for political mischief is frightening," he said. □

Cigarette ad bill approved

The House Subcommittee on Health and the Environment has approved a bill to replace the existing health warning in cigarette advertising with three new warnings in a new format. No action has been scheduled in the full Energy and Commerce Committee. □

ANPA committees urge opposition to parts of bill to regulate cable TV

The ANPA Government Affairs Committee has urged the Association's Board of Directors to oppose four provisions of a bill to regulate cable television.

The bill has been drafted by members of the telecommunications subcommittee of the House Energy and Commerce Committee, and the provisions in question would:

- Prohibit additional cross-ownership of daily newspapers and cable systems in the same community
- Permit government ownership of cable systems
- Mandate the designation of some cable channels for commercial use by firms other than the cable system operator
- Restrict the collection and use of information on cable subscribers.

The action came at the ANPA committee's Sept. 27-29 meeting in Washington, D.C.

A week later, the Association's Telecommunications Committee took similar action, recommending that the four provisions be opposed but that otherwise the bill generally be supported. Those recommendations also were forwarded to the Board.

The bill, HR 4103, was introduced in the House Oct. 6 and mirrored a draft that the two ANPA committees had before them at their semi-annual meetings [presstime, Oct. 1983, p. 23].

Introduced by subcommittee Chairman Timothy E. Wirth (D-Colo.), the bill has 23 cosponsors, including seven members of the subcommittee. It will serve as the basis of hearings in the subcommittee. The Senate passed a cable regulatory bill in June [presstime, July 1983, p. 30].

At its meeting, the Government Affairs Committee also:

- Discussed S 1917, a bill introduced Oct. 3 by Sen. Bob Packwood (R-Ore.) to repeal the broadcast rules on reasonable access and "equal time" standards for political candidates and the fairness doctrine [presstime, Sept. 1983, p. 11]. The committee reiterated the Association's position supporting efforts to maximize the freedom of the electronic media from government content regulation. At its meeting, the Telecommunications Committee took similar action.
- Expressed "significant concern" about a meeting of representatives of international press organizations on the issue of identification cards for journalists in war-like situations, and recommended that the ANPA Board re-state its opposition to proposals that would involve or appear to involve governmental licensing of journalists. (See story, p. 19.)
- Recommended that the Association develop materials to inform state legislators and others about VDTs and "their level of safety" in the workplace. (See story, p. 22.)
- Heard Thorne G. Auchter, head of the Occupational Safety and Health Administration, who said that OSHA's proposed "hazard communication" rule, which would require the labeling of hazardous chemicals in the workplace, was being reviewed by the federal Office of Management and Budget.
- Heard Sen. Ted Stevens (R-Alaska), chairman of the Subcommittee on Civil Service, Post Office and General Services, who expressed the hope that any increase in postal rates can be put off until 1985.
- Heard Sen. Patrick J. Leahy (D-Vt.), a member of the Judiciary Committee, who pledged to filibuster against any bill that would be an "egregious" assault on the Freedom of Information Act. □

OSHA's Auchter (right) talks with Publisher Richard Warren of Bangor (Me.) Daily News.

Foundations denied divestiture relief

The House Ways and Means Committee, considering measures to clarify the taxation of private foundations, has declined to provide the relief sought by three such foundations that own daily newspapers.

Because of a provision in a 1969 tax law, the foundations must divest 50 percent of their holdings in the papers by 1989.

That so-called "excess business holdings" provision limits private foundations to ownership of between 20 and 35 percent of any business and sets a timetable for divestiture. The foundations have asked for exemptions from this part of the law.

The Ways and Means Committee Oct. 6 decided not to recommend any change in the divestiture requirement.

The three newspaper foundations are The Houston Endowment Inc., which owns the Houston Chronicle; the Public Welfare Foundation Inc., which owns the Spartanburg (S.C.) Herald-Journal, The Tuscaloosa (Ala.) News and the Gadsden (Ala.) Times; and The Day Trust, which owns The Day in New London, Conn. [presstime, Oct. 1983, p. 14]. □

Illinois governor sends FOI bill back to legislature

Illinois Gov. James R. Thompson has balked at signing into law what would be the state's first Freedom of Information Act.

Instead, Thompson Sept. 23 issued what is called an "amendatory veto" of the bill. In essence, that constitutes approval of the bill with the governor's changes. The action sent the measure back to the Illinois Legislature. By late October, the House of Representatives had approved the changes, but the Senate had not acted. It was expected also to go along with the changes.

Among the changes made by the governor were the removal of penalties for noncompliance and an addition to the list of circumstances in which agencies may have an extended response time.

The Illinois Press Association did not seek to override the veto. According to Executive Director David R. West, the association will seek changes if problems develop after the law takes effect. □

Shopper protests TMC's use of 2nd-class mail

By C. David Rambo
presstime staff writer

A shopper company in Northeastern Minnesota has filed suit against the U.S. Postal Service in an effort to dislodge postal regulations that apparently allow paid, second-class newspapers to mail extra copies free to non-subscribers at low second-class rates.

The company, Manney Inc. of Hibbing, Minn., has asked the U.S. District Court in Duluth to enjoin the Postal Service from allowing the twice-weekly, paid-circulation Pine Knot and Billboard of Cloquet, Minn., to provide total market coverage under second-class.

The practice so far is used by only a handful of newspapers in various forms. They report success with it and predict wider usage.

Some members of the ANPA Postal Committee, which met Oct. 19-20 in Washington, D.C., expressed concern about using second-class mail for delivery of free TMC vehicles. They said second class historically was intended for delivery of paid publications, not free TMC vehicles.

A task force was established to study the issue.

The TMC technique in question is being used under one of the postal rules for second-class eligibility—the so-called "50-percent-plus-one" rule. It requires, for a newspaper to be granted the low rates and good service of second-class, that the publication sell most—at least half plus one copy—of all its circulation.

Newspaper-business postal experts say that means a newspaper with paid circulation of 10,000, regardless of whether copies are mailed, carrier-delivered or sold at newsstands, may mail an additional 9,999 free copies of either the entire newspaper or an extra edition of the paper to non-subscribers at second-class rates.

Although the Pine Knot and Billboard is mailing complete, regular copies to non-subscribers under the postal rule, the issue becomes murkier when other practitioners use the same rule to send an extra edition to non-subscribers. That edition must contain fresh editorial material and must be delivered to subscribers in addition to non-subscribers.

The Manney petition filed Sept. 9 against the Postal Service says that unless the court stops the practice, Manney will "continue to suffer irreparable harm, damage and injury to its business because of the wrongful granting of this second-class permit. . . ."

Charles R. Johnson, owner of the Pine Knot and Billboard, said postal officials recently conducted a circulation audit and found his TMC project to be valid and above-board.

Johnson said the system has worked well for him since he started using it in June 1982. That was when Johnson merged a paid weekly, the Pine Knot, with a free, third-class-mail shopper, the Billboard, into the existing, twice-weekly, paid product. Once a week he mails copies of the entire newspaper to non-subscribers--always less than the paper's approximately 5,000 paid circulation, he said—and therefore is able to increase penetration dramatically.

Johnson said the technique has not been used by more newspapers in the past because publishers just didn't realize how they could make use of the 50-percent-plus-one rule. "We were all locked into the idea that second-class is for paid newspapers (only)," he explained.

Several other newspapers agree with the new interpretation of the postal rule and either have recently launched TMC projects using second-class rates for copies to non-subscribers or are planning to do so. The interest seems heavy in the Midwest, where many papers were recently hurt when K mart decided to replace its newspaper ads with a direct-mail approach. (See story, p. 17.)

The Newspaper Printing Corp. in Nashville, the joint operating agreement agency that publishes The Tennessean and the Nashville Banner, began a TMC program in April using that interpretation of the rule.

William R. Davis, research director of the agency, said editions of each paper are mailed second-class to non-subscribers and Sunday-only subscribers. He agreed that "It's an interpretation of postal rules that has not been realized before," and said the program has proven to be an effective preprint delivery vehicle.

With the new mail effort, "We have been able to regain and retain all of our major preprint advertisers. . . . K mart and Sears and the rest of them realize how important newspapers are" for delivery of their advertising, Davis added.

Using the same approach, The Des Moines Register Oct. 5 began publishing Extra, a new edition that is delivered Wednesday with the daily paid newspaper and by mail to non-subscribers within a 25-mile radius of Des Moines.

Extra contains feature stories, a gossip column and cartoon panels. Extra also includes the newspaper's existing Neighbors section, a weekly product that carries zoned news, features and advertising including midweek preprints.

And in Cincinnati, Shelby A. Smith, preprint coordinator of the Cincinnati Enquirer and Post, another joint operating situation, said those newspapers are in the process of developing a total-market-coverage program. Taking advantage of the second-class rules for mailing to non-subscribers "is exactly what we're going to do," he said.

Some publishers warn, however, that second-class may not be cheaper than third-class in every instance. □

Congress grapples with FY'84 funding

Postal appropriations for the current fiscal year 1984 remained in congressional limbo in late October.

The House Appropriations Committee Oct. 18 approved $879 million in funding, effectively the same level allocated for fiscal 1983.

The Senate Appropriations Committee previously approved a bill for $802 million, which would cause an increase from 3.6 cents to 3.9 cents per piece for newspapers mailed within the county of publication.

Current postal funding is under a stopgap continuing resolution which extends fiscal '83 funding levels. Another continuing resolution likely will be sought by Nov. 10 if Congress has not settled on this year's funding.

Midwest papers weigh damage of K mart's midweek departure

Newspaper executives in four Midwestern states where K mart has dropped midweek newspaper preprint distribution say it is doubtful their publications will get those preprints back anytime soon.

But in a more hopeful sign, newspapers in six Southern and Midwestern states have acted to preserve preprint business by forming networks that allow advertisers to buy into more than one newspaper and receive a single bill.

In the Midwest, executives say it is too early to assess the long-term damage from the midweek exodus of K mart from their newspapers. The K mart preprints were snapped up by Advo-System Inc. in Indiana, Kentucky, Michigan and Ohio [presstime, Aug 1983, p. 9].

The region is now being closely watched by newspaper executives wondering who might follow K mart down the "marriage mail" aisle. So far, K mart has not proved to be a highly desirable companion.

The giant discount department store chain appears to have "no permanent marriage mail partner" in the Fort Wayne, Ind., market, said Thomas W. Latchem, display advertising manager of Fort Wayne Newspapers Inc.

In Ashland, Ky., there is "no consistency, no pattern yet that has developed" for the advertisers who have gone to marriage mail, said John W. Del Santo, general manager of the Daily Independent there. "It's hard to say where it'll wind up."

Nor has there been much snap, crackle or pop through the mail in Battle Creek, Mich. "About the only thing they (Advo) deliver is K mart," said John F. Newman, advertising director of the Enquirer and News of Battle Creek.

"In most Zip codes of our market, K mart is pretty much the solo" marriage-mail piece, adds Shelby A. Smith, preprint coordinator of The Cincinnati Enquirer and Cincinnati Post.

While newspapers may be breathing a little easier now because—so far at least—K mart did not touch off a stampede, they can take even more heart from the success story being written in Kentucky, Tennessee, North Carolina, South Carolina, Georgia and Virginia.

About 45 newspapers in non-contiguous markets in those states are part of two networks organized by the Atlanta office of Landon Associates Inc. in which preprint advertisers can make a single buy for all the papers in either of the groups. One newspaper in each group handles the billing.

Jeffery A. Deitz, southern regional sales manager of the newspaper ad-rep firm, said the networks were organized over the summer primarily to service Family Dollar Stores. But now other retailers (not including K mart) are taking advantage of it, Deitz reported.

Although the networks were not established specifically to fight marriage mail, newspapers hope they will turn out to be effective weapons. The networks also can be used to pursue national advertising or co-operative ads, which are easier to sell if the purchasing and billing is streamlined, Deitz noted.

Above all, he said, newspapers should be aware that Advo is most tempted to enter a market when certain factors exist, including:

- High newspaper ad rates in a region
- Low penetration and the inability of newspapers to provide selective market coverage
- Newspapers with "poor customer relations"
- Poor sales on the part of area retailers
- Duplication of newspaper coverage areas in a single market, forcing advertisers to buy two or more newspapers to cover that market.

Deitz also said an individual newspaper that gives good service and has low ad rates still has a poor chance in the preprint battle if other newspapers in the region provide poor service and charge high rates. □

Dailies, weeklies escape 'bulk' terminology

Postal officials say that newspapers qualifying for newspaper or "red tag" treatment—which includes most dailies and weeklies—are not included in a U.S. Postal Service name change to "bulk business mail."

The change in nomenclature affects only what the Postal Service formerly called "non-preferential" mail. In that category are second-class publications mailed less frequently than once a week, third-class and some parts of fourth-class mail.

"This simple name change in no way affects" separate classifications for second-, third-, or fourth-class," said Gordon C. Morison, assistant postmaster general for the customer services department. "Just as second-class publications qualifying for newspaper treatment (red tag) were not included under 'non-pref,' they also do not fall under the umbrella of bulk business mail."

Morison took issue with a September presstime report on the subject quoting two members of the U.S. Postal Service's Mailers' Technical Advisory Committee and a USPS spokesman.

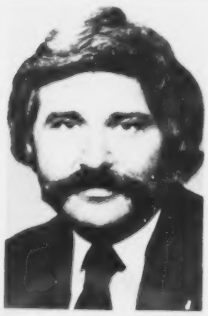
The issue even ruffled feathers at the highest Postal Service echelon. Postmaster General William F. Bolger said in an Oct. 13 letter to editors that he gives his "personal assurance" that the name change will not result in "less attention to the timely delivery of newspapers and magazines.

Bolger wrote editors about change.

"We have no intention of defaulting on our historic contract with the nation's newspapers and magazines," Bolger said. He added that the change was only from "non-preferential mail" to "bulk business mail." □

ANPA files on detached labels; Lerner cites harm to shopper

Detached mailing labels as currently used for third-class mail pieces violate the law because mailers using them do not have to pay extra postage, ANPA has alleged in a petition to the Postal Rate Commission.



Louis A. Lerner

"No exception for payment is authorized by law" or by the U.S. Postal Service regulations, the Association said.

ANPA Oct. 4 asked the commission either to ban detached labels or to recommend an appropriate cost for their use.

The petition came about as a result of work by the ANPA-Newspaper Advertising Bureau-National Newspaper Association Joint Postal Task Force [presstime, Oct. 1983, p. 18]. That group has been studying the third-class rate structure in light of the toll that direct-mail advertising has taken on newspapers in the last couple of years.

The biggest and most serious new competitor has been marriage mail, in which two or more advertising circulars are united in a single package and mailed at relatively low, third-class rates. (See story, p. 17.)

Detached labels are postcard-like pieces that accompany marriage-mail packages. The cards, not the marriage-mail packages themselves, carry the address.

The biggest known user of detached labels is Advo-System Inc. of Hartford, Conn. But other firms also use them, including some in the newspaper business. One is Lerner Newspapers, publisher of a group of paid weeklies and shoppers in the Chicago area. Publisher Louis A. Lerner is critical of ANPA's position because detached labels are "enormously important" to Lerner's 70,000-circulation shopper distributed in Northern Lake County, Ill. "For the dailies it's a matter of losing K mart ads," he said. "For us, it's a question of cost."

Lerner added, "Just because most larger newspapers are losing K mart is no reason we should have to pay increased costs." Dailies should be offering K mart total-market-coverage programs that the retail chain needs, he said. "If a daily covers 40 percent of a market, that's not good enough. K mart doesn't want 40 percent."

ANPA contends, however, that detached labels fail "to bear a fair and equitable portion of the attributable and institutional costs of postal operations." As a result, third-class mail firms using the cards are being "cross-subsidized by all other third-class bulk regular rate mailers, as well as by all other mailers whose rates reflect the allocation of institutional costs," the Association told the rate commission.

The Postal Service thus is affording "an undue and unreasonable preference to the user of such mail," according to the petition.

ANPA also complained about advertising Advo has been selling and printing on the back of the label cards. It said ads are not eligible for the cards under the Domestic Mail Classification Schedule. □

Postal notes

The U.S. Postal Service is offering a discount of a half cent to one cent per piece for use of the **voluntary, nine-digit ZIP code** that went into effect Oct. 1 for high volumes of first-class mail.

The Postal Service approved the discount schedule after it was recommended by the independent Postal Rate Commission [presstime, Sept. 1983, p. 16].

The level of discount will depend on the amount of presorting done. Although the discount so far applies only to first-class mail, the rate commission said discounts for other classes "should be thoroughly explored in future proceedings."

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Canada Post has **postponed a general 5-percent postal rate increase** scheduled for January or February until at least the second quarter of 1984. The service, which became a Crown corporation two years ago, has been fighting huge deficits from its days as a government department. It should break even financially in three years, officials said. □

Transportation notes

The **deregulation of boxcar traffic,** including newsprint, has been postponed until Jan. 1.

The Interstate Commerce Commission took the action Oct. 18 to give opponents of deregulation time to respond to its recent denial of a petition to reconsider the ruling [presstime, July 1983, p. 33].

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Santa Fe Industries and the Southern Pacific Co. announced in September an agreement in principle to **merge their operations,** with each company becoming a subsidiary of a new holding company known as Sante Fe Southern Pacific Corp.

The merged company would constitute the nation's third-largest railroad system, behind the Burlington Northern and the CSX.

The parties intend to consummate a stock transaction, which is subject to shareholder approval, by year end. Then the Interstate Commerce Commission will be asked to bestow its final blessing to allow the merger to take effect. The merger is valued at $5.2 billion.

Santa Fe Industries is still considering a bid to acquire Conrail, but plans will be delayed because of the pending merger. The federal government is seeking to sell it to the private sector.

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The ICC Sept. 21 approved a quarterly cost-recovery **rate increase** of 0.2 percent for U.S. railroads, effective Oct. 9 [presstime, June 1983, p. 33].

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The International Longshoremen's Association and waterfront employers **agreed to extend their current contract,** with certain modifications, until Jan. 15, 1984. The extension includes a $1-an-hour wage increase effective Oct. 1, the date the contract was supposed to expire.

A master contract had been renegotiated in July, but in early September the Federal Maritime Commission asked a federal judge to enjoin steamship companies from continued enforcement of the union's so-called "50-mile container rule," which had been in effect since mid-April. This prompted the union to renegotiate its contract. A federal judge has since denied the FMC's request [presstime, Sept. 1983, p. 31]. □

Western protest delays IPI press-card proposal

By Marcia Fram
presstime staff writer

The uproar created by a proposal to issue international press cards to journalists on dangerous assignments has resulted in the postponement of a Nov. 18 meeting to refine the plan.

The meeting had been planned as a follow-up to an informal gathering Sept. 5 in Geneva, Switzerland, at which the heads of six international organizations proposed the establishment of an "international professional commission" to develop ways to protect journalists working in war-like situations, possibly in "collaboration" with UNESCO [presstime, Oct. 1983, p. 16].

The Geneva meeting, as well as the now-postponed Paris meeting, was initiated by Peter Galliner, director of the International Press Institute. He said in late October he decided to postpone the second meeting "in view of the misunderstanding with our American friends." (See story, p. 20.)

The proposal aroused both substantive and procedural objections. Western journalists have consistently regarded identification as a step toward licensing, which would make journalists vulnerable to governments opposed to their work.

Journalists and news organizations in many free-press countries objected to the unilateral way in which Galliner and IPI Chairman Max Snijders advanced the proposal without approval, or full notification, of IPI's Executive Board.

Leading the opposition were Americans, who moved swiftly to dissociate themselves and their press organizations from actions taken by officials of the international groups to which they belong.

Among the six organizations represented at the Geneva meeting were the International Federation of Newspaper Publishers, or FIEJ, with which many American publishers are affiliated through their newspapers' membership in ANPA; and the IPI, to which many U.S. news executives belong individually.

At ANPA committee meeting, Snidjers (left) defends plan as IPI-member Richard Leonard of The Milwaukee Journal listens.

After word of the Geneva meeting drifted across the Atlantic, the American Committee of IPI decided to withold funds designated for the organization's international office, pending clarification of the situation.

The IPI Executive Board is expected to discuss the controversy at its previously scheduled meeting in Rome on Nov. 28 and 29.

Also catching come transatlantic heat was Paris-based FIEJ. In a strongly worded letter, Allen H. Neuharth, a FIEJ vice president and the American representative on its Executive Board, took exception to the proposal and to FIEJ's involvement in the matter.

The move toward "protection" is "likely to lead in practice to governmental licensing," Neuharth told the federation's president, Frans Vink, a Belgian newspaper executive.

"This would arm governments which wish to restrict journalist access to information, or to censor news reporting, with a special list of journalists to target," said Neuharth, Gannett Co. Inc. chairman and president.

Neuharth also expressed concern that actions taken at the Geneva meeting would be interpreted worldwide as a "first recognition" that the Free World is moving toward acceptance of press licensing.

Even before Neuharth's letter reached FIEJ headquarters, the federation had decided not to participate in the November meeting, according to Maribel Bahia, FIEJ director. She said the organization saw "no necessity to pursue the talks along the lines that had been set in Geneva."

Also in October, Robert M. White II, chairman of the American Committee of IPI and a member of ANPA's Government Affairs Committee, wrote Galliner and Snijders that the proposals "were not in accord with American free press ideals and dedications." That ANPA committee on Sept. 28 adopted a resolution calling the initiative "unwise". (See text at left.) The resolution subsequently was approved by the ANPA Executive Committee and sent to FIEJ.

By previous arrangement, Snijders attended the ANPA committee's meeting in Washington, D.C. He came in for harsh questioning but said he felt the issue had been overblown. Snijders also sought to differentiate between legitimate "protection" and "licensing." □

ANPA cites dangers of 'unwise' policy

Here is the text of the resolution adopted Sept. 28 by the ANPA Government Affairs Committee and subsequently by the Association's Executive Committee:

"The Government Affairs Committee recommends:

"That ANPA restates at this time its continuing opposition to any proposals which in practice would involve any form or perception of governmental licensing of journalists. Further, the Committee wishes to express its significant concern that two years following successful joint press action to get UNESCO to lay aside its activities in this area, that European leaders of IPI, IOJ, IFJ and FIEJ have raised the issue of identification cards of journalists on dangerous missions and plan to discuss it further with UNESCO, without any alert and only after-the-fact cursory report to any American press group.

"Although everyone would like to enhance the degree of safety to journalists operating in war-like conditions, the facts are:

- That these are dangerous missions
- That the danger is often increased through official designations of journalist identities
- That the opportunities for censorship are enhanced by schemes resulting in the acceptance of governmental licensing of journalists.

"The Government Affairs Committee believes the action of our European press colleagues—whom we know to have a sincere interest in strengthening press freedom as well as the safety of journalists—to be unwise."

'Storm in a teapot' over press cards

IPI's Galliner defends his plan, says UNESCO would not run it

Peter Galliner has strongly defended his actions in what has become known in world-press-freedom circles as the "press card flap."

Obviously angered by the uproar, the director of the International Press Institute declared, "If anybody has taken a hard stand on safety of journalists, it's IPI. . . . To accuse us (of doing otherwise) is, I find, quite an insult."

Speaking from IPI headquarters in London, Galliner also said in a telephone interview with presstime that he regards the controversy as a "storm in a teapot."

He sketched the background of the Sept. 5 meeting in Geneva, Switzerland, where IPI and other press organizations developed a proposal to protect journalists on dangerous assignments by issuing press cards and to ask UNESCO's help in the project.

The meeting, he said, basically reconvened a group that met to discuss protection of journalists in 1970, and whose report was subsequently ignored by UNESCO.

"It is absolutely untrue to suggest that if such a committee would ever come into existence, it would ever come under the umbrella of UNESCO," he said.

As for accepting UNESCO funding, Galliner said, "We (the Geneva group) said obviously this ought to be financed by the media. Then somebody said, 'Couldn't we ask UNESCO to contribute?' The feeling was, if UNESCO wanted to contribute—why not?"

Responding to widespread concern that UNESCO's involvement could extend to deciding who did or did not receive international press cards, Galliner said, "If such cards were to be given out, they would be given out by a media committee."

He said the people at the meeting were not in a position to speak for their entire groups. "All present made it clear they could not commit their organizations to anything—even if they agreed. Obviously, they would have to go back to their boards."

Galliner went on to say he "would be very surprised if what was discussed would be accepted."

After the actions taken at the Geneva meeting came to light, there were mutterings that some IPI board members had been caught unaware—that Galliner had not properly notified them of his intentions. He said in response to that criticism: "If members of the board would kindly read the minutes, there is a whole paragraph dealing with this aspect."

Galliner was referring to the minutes of meetings of the IPI Working Committee and of the IPI Executive Board, held May 13 and 14, 1983, in Utrecht, the Netherlands. They contained this language on "protection of journalists": "The director informed UNESCO that IPI would try to convene a similar (to the 1970) meeting which might possibly take place in the UNESCO building. . . . He also raised the question whether UNESCO would like to collaborate on such a project or cosponsor it. . . ."

Calling the hostile response to the press-card initiative "most unfortunate," Galliner attributed it to poor communication. "Whoever reported this before got it wrong," he said. "All of this could have been cleared up in one telephone call." (Repeated efforts by presstime to reach Galliner in September were unsuccessful.)

At the same time, Galliner said he had postponed a follow-up meeting on the proposal, which had been scheduled for this month in Paris. He said he took that action "in view of the misunderstanding with our American friends." □

Advancements reported for Third World programs

Two new U.S. programs to assist Third World journalists are taking shape.

The American Society of Newspaper Editors will sponsor six-week internships for 12 Third World journalists to work with U.S. newspapers and broadcast outlets.

The newly created Alfred Friendly Foundation will underwrite 10 six-month fellowships [presstime, Sept. 1983, p. 17]. □

U.S., Soviet Union start exchanges of editors, stories

The first ongoing exchange between the Soviet Union and an American regional press association is underway in New England.

In a three-part program, the New England Society of Newspaper Editors will swap articles, journalism students and working journalists with a Soviet press service, university and newspapers.

"The best way to sell America is to let them (Soviets) know what kind of people we are," said Theodore Holmberg, publisher and editor of the Pawtuxet Valley (R.I.) Daily Times and current president of NESNE.

The exchange of two or three translated columns a month began with NESNE providing the Soviet feature press service Novosti with an article about a West Warwick, R.I., bus driver who wanted to establish a Friendship Day. The Soviets' first piece was about a hunter who loved to spend time in the woods.

Novosti distributes the U.S. articles to its 500 clients, and the Soviet articles are made available to about 100 New England papers.

The student exchange will involve graduate journalism programs at Boston University and the University of Leningrad. It is expected to start next September.

About the same time, the paper-to-paper exchange of working journalists is scheduled to get underway. Holmberg said 10 American reporters 40 years old and younger have already applied to work on a Soviet newspaper.

These exchange programs will be limited to people who can read and speak Russian and English.

The exchange program receives no outside funds. Holmberg said he thought larger newspapers could afford to send a reporter abroad for a few months, but the publishers' group was looking for money to help smaller papers that might want to participate.

The three-pronged program was arranged at two meetings between NESNE members and Soviet journalists, one in New London, N.H., in the fall of 1982 and a second in the Soviet Union last summer. □

Home wanted for new program to help press in Third World

A search is underway for a host institution to maintain and update a newly compiled list of programs of practical assistance to the press in developing countries.

Released at the recent "Voices of Freedom" conference in Talloires, France, the list identifies about 300 ongoing programs in 70 countries. The programs are categorized under the headings of education, training, exchanges, internships and fellowships.

The list, the first of its kind, was the work of George Krimsky, world news editor of the Associated Press, who briefed the Talloires assembly on the project.

Programs included in "The List of Talloires" represent an investment by sponsoring organizations of "upwards of $5 million," Krimsky estimated.

But he said use of the list as a catalyst for future programs depends on finding an organization to keep the list up to date by computer, reissue it periodically and serve as a clearinghouse.

Until a permanent home can be found, the information will be made available by the Edward R. Murrow Center of Public Diplomacy at the Fletcher School of Law and Diplomacy, Tufts University.

In another presentation at Talloires, Dana Bullen, executive director of the World Press Freedom Committee, provided a dramatic illustration of the desperate needs of Third World journalists for practical assistance. Bullen quoted a journalist from Belize, a small country in Central America, as saying: "I can do without all these words. What I need are some typewriters."

Nevertheless, words were also an integral part of the Talloires assembly—the second of its kind held in that Alpine location.

Like the first Talloires meeting in 1981 [presstime, July 1981, p. 26], the Sept. 29-Oct. 2 gathering took place just before a biennial UNESCO forum that Soviet and some Third World countries have used to promote measures that would limit press freedom. And the 80 journalists and media leaders from 25 countries, primarily from the Free World, presented a substantially unified front at UNESCO.

"UNESCO debates are lending a respectibility to government attempts to control the media," charged Leonard R. Sussman, executive director of Freedom House, a New York-City based organization that monitors freedom, threats to freedom and lack of freedom in the world. Sussman presented a study tracing the growth of press censorship in the Third World.

Keynote speaker Walter Cronkite, the veteran CBS correspondent, urged more complete coverage of developing countries and bluntly attacked the Soviet communication policy.

"The Soviet bloc and its ideology," he said, "sit in the constellation of modern communications like a great black hole. A black hole, as the astronomers define it, is a dead star, collapsed in upon itself until its mass is so dense and its gravitational field is so overwhelming that even light cannot escape."

The Talloires conference adopted a report that opposed pending proposals in UNESCO that could increase governments' power over the media. These include a "right to communicate" that could limit free-press principles set forth in the 1948 Universal Declaration of Human Rights; "democratization," which could place pressure groups in control of news media; and "codes of conduct" for journalists.

George Krimsky

Leonard Sussman

By tacit agreement, the conference did not officially discuss the Sept. 5 Geneva meeting at which representatives from the International Press Institute and five other groups considered the creation of international press cards to "protect" journalists in war-like situations.

Talloires participants gave strong support to the "watchdog" concept of the press, totally independent of government, which will be introduced by West Germany and supported by the United States at the month-long UNESCO General Conference in Paris scheduled to end Nov. 29.

The three-day "Voices of Freedom '83" conference, like the first, was sponsored by the Edward R. Murrow Center at Tufts University, in cooperation with the World Press Freedom Committee. □

World press notes

ANPA joined the Inter American Press Association and other press organizations in protesting the **jailing of Paraguayan journalist** Alcibiades Gonzalez Delvalle. An investigative reporter and columnist for ABC Color, the country's leading daily, Gonzalez Delvalle has been arrested twice in the past four years for articles critical of the current Paraguayan government.

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The Miami Herald and The Washington Post ran a page and a half political advertisement of the Guatemalan Labor (Communist) Party in mid-October to fulfill a condition for the **release of the kidnapped publisher** of a conservative paper, Prensa Libre. Both newspapers printed disclaimers explaining the connection between the ad and the kidnappers' demands. The publisher, Pedro Julio Garcia, was released Oct. 23.

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The Inter American Press Association sent a message to President Forbes Burnham of Guyana, protesting government **restrictions on the importation of newsprint**. IAPA President Andres Garcia Lavin called the move a device to "end what little freedom of the press remains in Guyana."

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An Associated Press reporter left El Salvador after the U.S. Embassy said his **safety could not be guaranteed.** The Salvadoran government had been angered by a story Arthur Allen had written on the aftermath of the slaying of a U.S. military adviser. After a police official ordered Allen to appear in his office or "pay the consequences," the embassy recommended that he leave. □

Study finds VDT users lose more work time than others

A study of more than 1,100 Newspaper Guild members found that VDT users lost more time from work because of health problems than did non-users, a House subcommittee was told Oct. 18.

According to Dr. Arthur L. Frank, the study showed significantly more headaches, eyestrain, deteriorated vision, lower back pain, neck pain and shoulder pain among VDT users.

The study was made at the request of the Guild.

Frank, who is head of the Department of Preventive Medicine and Environmental Health at the University of Kentucky, recommended additional studies on other possible VDT health effects.

The two-and-a-half-year study Frank outlined for the Health and Safety Subcommittee of the Education and Labor Committee was conducted by the Mount Sinai School of Medicine's Environmental Sciences Laboratory when he was affiliated with it. The study involved questionnaires distributed to members of Guild locals in Tennessee, Missouri, Hawaii, Ontario and British Columbia, as well as the Wire Service Guild.

The Guild had asked Subcommittee Chairman Joseph M. Gaydos (D-Pa.) for the opportunity to present the findings of the new study, a second phase of which is scheduled for completion early next year. The hearing was informational only; the subcommittee is not considering specific VDT legislation at this time.

The Mount Sinai study found no evidence of premature birth, infant mortality or effect on the menstrual cycle with VDT use. Likewise, it found no connection between VDT use and the development of cataracts.

Also testifying was Guild President Charles A. Perlik Jr., who urged that the National Institute for Occupational Safety and Health be given adequate funding to continue VDT research. He also noted that his union has drafted a "model" VDT health and safety bill.

Separately, the ANPA Government Affairs Committee has recommended to the ANPA Board of Directors that the Association develop materials designed to help inform newspaper employees, state legislators and the public about VDTs and "their level of safety" in the work place. □

Regulatory notes

Only one newspaper company was victorious in the Federal Communications Commission's first lottery to select recipients of **low-power TV construction permits**. At least seven newspaper companies were in the running in different markets in the Sept. 29 drawing [presstime, Oct. 1983, p. 23].

The winner of a construction permit for Omak and Okanogan, Wash., was Statesman-Examiner Inc., publisher of the weekly Statesman-Examiner 120 miles away in Colville, Wash.

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The FCC Oct. 6 proposed to use a lottery to select licensees for **cellular radio**.

The commission wants to use the lottery instead of its lengthy and costly comparative-hearing system for awarding cellular licenses in all but the 30 largest markets. It said a lottery is better because of the large number of grants to be made, the large number of competing applicants and the backlog in processing applications. Details of the lottery were not announced by press time. There will be a public comment period.

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On Oct. 12, the FCC also proposed using a lottery to select single- and multichannel **multipoint distribution service licensees.** The commission said it had a backlog of between 15,500 and 17,000 multi-channel applications, including those from several newspaper companies. It has tentatively decided not to give a preference in this lottery to minority applicants as it did in the lottery to select low-power TV construction permits. Public comments are being sought by the FCC. □

ACEJMC will

The Accrediting Council on Education in Journalism and Mass Communications has scheduled a January meeting to receive a proposal on revising its accrediting standards.

James W. Carey, chairman of a committee named by ACEJMC to draft the proposal, said the task involves rewriting the accreditation standards as defined in a council publication. The action will revise the pamphlet "to clarify it and interpret it and to eliminate its contradictions," he said.

The pamphlet, "Accredited Journalism and Mass Communications Education," is issued annually and, in addition to the standards, contains a list of accredited schools.

Carey, dean of the College of Communications at the University of Illinois, said the revised standards will be more "usable" by schools seeking accreditation. But he also expects they will place a "greater burden" on the accrediting teams that visit candidate schools because the new standards will be "less mechanical and arithmetical" than current ones.

He said teams will have to exercise more "interpretation and judgment" and will be less able to simply apply a "formula."

Disagreement already exists about two such "formulas" or guidelines—the "75-25 rule" of liberal arts to journalism courses for undergraduates and the "unit rule" requiring that at least 50 percent of journalism students be enrolled in accredited journalism sequences for the journalism school to be accredited.

However, when asked if he thinks the revision will be controversial, Carey said, "I don't consider it controversial in the sense they will be standards with which the majority of (accredited) schools can't live. I don't anticipate that."

The committee is made up of seven journalism educators and professionals, three of whom are members of the accrediting council.

ACEJMC will evaluate the committee's proposal at the January meeting.

At its October meeting, the council directed President Joseph W. Shoquist, managing editor of The Milwaukee Jour-

study accrediting change

nal, to take steps to bring ACEJMC into full compliance with the U.S. Department of Education's criteria for nationally recognized accrediting agencies. In late August, the department renewed ACEJMC's recognition, but for only two years instead of the normal four, and asked for a report in a year on steps taken to correct several deficiencies it found in the council's procedures. One complaint was that ACEJMC does not provide specific reasons for denying accreditation [presstime, Oct. 1983, p. 32].

The council also is planning training sessions to broaden the participation of journalism educators and professionals in the accrediting process.

According to ACEJMC Executive Director Roger A. Gafke, one workshop for new accrediting team members will be held at next summer's convention of the Association for Education in Journalism and Mass Communication and others will be scheduled.

In a related move, Gafke was directed to prepare a technique for evaluating the performance of visiting accreditation team members. □

U. of Maryland names professional board

The University of Maryland College of Journalism has appointed 13 media professionals to serve on its new Board of Visitors. The board will work with the college administration and faculty to develop a five-year plan to make it "the outstanding professional school of its kind."

The board includes:

- Newspapers—Donald Graham, publisher, The Washington Post; Reg Murphy, publisher, the Baltimore Sunpapers; Jack Nelson, Washington bureau chief, Los Angeles Times; John C. Quinn, chief news executive and executive vice president, Gannett Co. Inc., and editor of USA Today; William Raspberry, syndicated columnist of The Washington Post; Eugene L. Roberts Jr., executive editor, The Philadelphia Inquirer; and Claude Sitton, editorial director, The News and Observer, Raleigh, N.C., who will be chairman of the board.
- Broadcast—Hodding Carter III, anchorman of public TV's "Inside Story"; Walter Cronkite, former CBS Evening News anchorman; and Paul Duke, moderator of PBS public affairs programming.
- Magazines and Newsletters—Arnold Barach, secretary, Kiplinger Foundation; Eleanor Merrill, publisher, The Washingtonian and Baltimore magazines.
- Public Relations and Advertising—Joe Adams, president, Adams Group, Rockville, Md.

A 1981 long-range planning report for the university suggested a "high priority" for the College of Journalism.

New guides published on libraries, NIE

ANPA Foundation has published two new guides, one for libraries of daily newspapers and the other for weekly newspapers considering starting Newspaper in Education projects.

Guidelines for Newspaper Libraries was first published in 1974 but revised this year. It was written by members of the Newspaper Division of the Special Libraries Association.

Chapters in the 134-page text are titled "Starting the Library," "Communication with Management," "Circulation Control," "Filing Systems," "Clipping Collection," "Photographs and Graphics," "Microfilming" and "Newspaper Library Automation."

It is available for $20 with a binder and $15 without a binder from ANPA Foundation.

Newspaper in Education: A Guide for Weekly Newspapers has been published jointly by ANPA Foundation, the National Newspaper Association and the National Newspaper Foundation.

The 28-page booklet explores how to start and fund an NIE program and how to use newspapers to teach such subjects as language arts, social studies, mathematics, science, health and safety.

The guide is available without charge from ANPA Foundation. □

Grant in N.Y. state will help finance TV show on NIE

To promote national Newspaper in Education Week March 5-9, 1984, the New York State Newspaper Foundation has awarded a $12,650 grant to the state Department of Education for a television program on newspapers as teaching tools.

The hour-long program will feature a filmed segment of three different age and subject groupings of students using newspapers in their classrooms. It will be followed by a live, call-in segment involving a panel of representatives from the state Department of Education, the New York State Reading Association, ANPA and the New York State Publishers Association. The panel will solicit questions via telephone from teachers, parents and others interested in NIE. The program will be introduced by New York State Commissioner of Education Gordon Ambach.

The program will be broadcast March 6 throughout New York State and into parts of Pennsylvania, Connecticut and New Jersey over the Public Broadcasting Service stations. Patricia Houk, educational services manager of Newsday and the ANPA representative on the panel, said the program is a "beautiful partnership between business and education."

The 1984 observance of NIE Week will be the second on a national level [presstime, April 1983, p. 29]. □

First Amendment center to be set up at Columbia

The Columbia University Graduate School of Journalism has received a $3-million grant to establish a Center for the Study of First Amendment Issues.

The grant, the l[illegible]ift in the graduate school's history, [illegible]rom Saul Poliak, who graduated from the school in 1926.

The center will include a new position at the school, the James Madison Visiting Professorship in First Amendment Issues, which is being filled for the fall semester by New York Times columnist Anthony Lewis. Future programs will include fellowships and scholarships. □

Colleges benefit from matching grant programs

By Margaret Genovese
presstime staff writer

When does a $1 donation from a person to the college or university of his or her choice turn into a $2 donation? When it is matched dollar-for-dollar by the person's employer.

At least 13 newspaper companies now operate such programs directly or through foundations,* and indications are the idea is catching on.

The trend in matched giving is definitely up, according to three of the larger newspaper programs contacted by presstime—Gannett Co. Inc., Dow Jones & Co. Inc. and The Washington Post.

Even so, newspapers numerically are not in the forefront of the movement. There are about 1,000 so-called corporate matching-gift programs in the United States, according to an analysis of information supplied by the Council for Advancement and Support of Education, a Washington, D.C., clearinghouse for corporate programs.

The matching-gift concept dates only to 1955, with the first newspaper participation even later, about 1961 by The Copley Press Inc.

In a typical program, employees obtain a form to fill out and submit to the school along with their gift. The school certifies that the gift has been received and sends the form back to the newspaper. This triggers the company's matching gift.

But while existing newspaper programs share such common administrative characteristics, there are differences, too.

For example, in addition to full-timers, people working as few as 20 hours a week, retirees, spouses and corporate directors are eligible to participate in some papers' programs.

Another difference is the amount of continuous service with the company a person must have as a prerequisite to participation. It varies from three months to a year in the newspapers' programs.

Also, some programs limit matching gifts to schools attended by the donating employees.

In addition to matching gifts to colleges and universities, many newspapers match gifts to community and junior colleges. Some include secondary schools and technical schools in their matching programs, and a few even give to elementary schools.

Although matching-gift programs traditionally have supported educational institutions, several of the newspaper companies have expanded their programs. For example, The Times Mirror Co. matches gifts to educational, cultural and conservation organizations and to the United States Olympic Committee.

Other key questions a company must address in establishing a matching-gift program include:

- What will be the minimum and/or maximum gift to be matched? Most of the newspapers' programs have minimum donations required for a match and all have maximum per-person, per-year donation limits.
- What will the rate of match be? Most of the newspaper programs match each employee donation dollar-for-dollar, but several match on a two-for-one and even a three-for-one basis.

"Corporations tend to worry more about the cost of matching gifts than about any other giving program," says the Council for Financial Aid to Education Inc., a New York City non-profit organization that promotes increased corporate support of higher education. The reason for the worry is that the programs are open-ended, and the annual contribution varies depending on the generosity of employees in a given year.

CFAE has developed a formula to help companies estimate the contribution for which they might be liable.

In addition, CFAE in 1980 conducted a survey of 30 companies to find out how many employees were availing themselves of the benefit. It showed an average participation factor of 2.5 percent of a company's work force.

In an effort to increase employee participation, companies promote their matching-gift programs in a multitude of ways—employee handbooks, in-house publications, special brochures, posters and individual mailings.

But Pamela M. Hollar, assistant to the vice president for communications of The Washington Post, notes, "there is only so much you can do from this end in reminding people they have this employee benefit." Schools also have to remind their alumni to check with their employer about the availability of matching gifts, she says.

Whatever the source, the word about matching programs seems to be spreading. According to Employee Services Manager Patricia A. Malloy, by the middle of this year Dow Jones had exceeded the amount matched in all of 1982. The Washington Post reported a similar record. Unlike other newspaper companies that would not reveal the total amount of their matched giving, Gannett said donations under its Matching Funds program for Education last year totaled $247,035, an increase from the year before.

More information on establishing a matching-gift program may be obtained by contacting Judith D. Hines, vice president and director ANPA Foundation at The Newspaper Center, or the Council for Advancement and Support of Education, Suite 400, 11 Dupont Circle, Washington, D.C. 20036. □

* *Newspaper companies or related foundations included in CASE's list of corporate matching-gift programs are: A.S. Abell Co. Foundation Inc., Baltimore, Md.; The Boston Globe Foundation Inc.; James S. Copley Foundation, La Jolla, Calif.; Cowles Media Co., Minneapolis, Minn.; Dow Jones & Co. Inc., New York City; Field Enterprises Charitable Corp., Chicago, Ill.; Gannett Foundation Inc., Rochester, N.Y.; The New York Times Co. Foundation Inc.; The Record, Hackensack, N.J.; Time Inc., New York City; Times Mirror Co., Los Angeles; Times Publishing Co., St. Petersburg, Fla.; and The Washington Post.*

There's satisfaction out there for journalism programs

By Michael M. Spear

Having followed the controversy over the pros and cons of journalism education in various publications for years, I always came away with the same basic question: What do former students and editors really think about journalism education when their railings are stripped away?

We all know that some editors and former journalism school graduates are unhappy about journalism schools. The standard line is that the journalism schools are graduating illiterates or they aren't teaching anything of value that can be used in the newsroom.

However, recent research I conducted suggests there is a high degree of satisfaction about journalism education from graduates and editors alike.

As a graduate student in the School of Journalism at the University of North Carolina during 1981-82, I decided to look at the controversy with the help of computer analysis.

Meeting the needs of students and professionals was a key topic at the 1983 convention of journalism educators.

Questionnaires were mailed to two groups. One included all 177 principal editors of weekly, semi-weekly and daily newspapers in North Carolina. The other included all 622 UNC School of Journalism students who had graduated in the news-editorial sequence at Chapel Hill between May 1975 and May 1982.

A follow-up questionnaire was mailed three weeks later to 121 editors and 462 students.

The two mailings produced 505 responses—89 from editors, 416 from students.

As expected, 204 of the responding students, although news-editorial graduates, had never worked for newspapers. They were eliminated from further study.

The other 212 responding students reported they were working or had at one time worked for a newspaper.

They had been out of school from six months to eight years. Their ages ranged from 21 to 32, averaging 25. From them came these findings:

- Eighty percent said they would major in journalism again. When asked why, the two most common replies were: "It gives the best exposure to the field" (25 percent), and "It provides a sound education" (24 percent).
- Eighty-nine percent said they were very satisfied or somewhat satisfied with the education that they had received. Of these, 43 percent were "very satisfied," and 46 percent were "somewhat satisfied."

The courses they said helped them most once they got into a newsroom were those in basic news writing and news editing.

When asked to recommend ways to improve journalism education, their answers most often focused on two areas. Forty-one percent said they wanted more "real-world" situations in journalism classes with a heavy load of writing assignments under deadline pressure and more help with interviewing skills. Eighteen percent said they wanted more internships.

The editors also heavily favored journalism education.

Seventy-two percent said they thought a journalism degree was important for someone going into newspaper work. Of these, 47 percent said they thought it helped with a journalism career; 15 percent said it was important but not necessary; and 10 percent said it was proof of basic schooling.

Here is how the editors rated UNC journalism graduates in nine areas:

	Strong	Average	Weak
Grammar	25%	59%	16%
Spelling	19	62	19
Writing	47	47	7
Editing	25	53	22
Newsroom procedures knowledge	22	61	17
Ability to meet deadlines	29	55	16
General reporting competency	48	47	6
Knowledge of laws, ethics	23	59	18
General educational background	27	66	7

When asked to specify the one area in which UNC graduates were strongest, 29 percent of the editors chose writing; 35 percent, general reporting competency; and 12 percent, knowledge of newsroom procedures. In specifying the weakest areas among the graduates, 24 percent chose the ability to meet deadlines; 16 percent, editing skills; and 16 percent, grammar.

Among the editor respondents, 93 percent were college-educated, and 53 percent of those editors had majored in journalism. Just under 10 percent of the college-educated editors had graduate degrees, most in journalism. □

Spear, who worked for 23 years for newspapers in New Orleans, Greensboro, N.C., Beaumont, Texas, and Europe, now teaches journalism at the University of Richmond in Virginia.

Data from readership studies used in blitz of top advertisers

Armed with the results of $2-million worth of market surveys, the newspaper business is engaged in a massive campaign to spread the word that newspapers are the right places for advertisers to place their messages.

For a two-and-a-half-month period that will end Dec. 15, chapters of the Newspaper Advertising Sales Association are presenting to the nation's 200 largest advertising agencies the data compiled by Simmons Market Research Bureau and Scarborough Research Corp.

The surveys provide detailed and standardized information on newspaper readers that is comparable to the data on viewers made available to advertisers by the television industry.

Challenging the long-accepted figure that an average of 2.2 people read each copy of a daily newspaper, the surveys show that in the nation's largest markets, there are about 2.7 readers per copy.

They also document that newspaper readers in these markets are "upscale" compared to television viewers.

In the nation's 50 largest markets—where two-thirds of the population lives, two-thirds of the national income is earned and two-thirds of consumer spending takes place—73.5 percent of adults 18 and over read daily papers on an average weekday, and 75 percent do so on a typical Sunday.

Particularly useful in competing with television is the standardized consumer information compiled by the studies, designed to help advertisers pinpoint markets for such items as food, cars, domestic air travel and motion pictures.

A 20-minute slide and tape presentation prepared by the Newspaper Advertising Bureau and currently being shown to advertising agencies by NASA chapters nationwide gives specific examples such as:

- In a major Midwestern market, an advertiser wants to reach 65 percent of adults in households with incomes over $50,000. Three daily newspapers in that market reach 67 percent, with little duplication. Nine in every 10 households with incomes over $50,000 get at least one daily paper, again with little duplication.
- A manufacturer of campers and recreational equipment wants to reach men over 18 years of age in the 10 largest U.S. markets. The total number of men reached by running one 30-second TV spot in each of the major areas is 1.9 million; the total reached by running one newspaper ad in each of 10 central-city newspapers is an estimated 9.6 million. Newspapers can provide this greater reach at lesser cost.

The slide show also describes "CAN DO" (Computer Analyzed Newspaper Data On-Line), the NAB program that integrates the Scarborough-Simmons data with studies done by newspapers outside the 50 major markets. The information enables advertisers to plan campaigns that use various combinations of large and small papers.

A total of 225,000 interviews were conducted for the two studies—from January to July 1982 for Scarborough, and from September 1982 through April 1983 for Simmons.

Scarborough surveyed the markets of 153 dailies and 113 Sunday newspapers in the 50 largest markets (plus Des Moines, Iowa, at the request of The Des Moines Register). Simmons measured audiences for 109 dailies and 80 Sunday papers in 40 of the 50 largest markets (plus four other areas).

Both studies were monitored and audited by the Advertising Research Foundation, and they met ARF standards for probability sampling, interviewing, callbacks and field auditing [presstime, July 1983, p. 43].

Patent expires on preprint stuffing process

A patent covering the method by which most one- and two-page preprinted advertising inserts are stuffed into newspapers via the Sheridan stuffing machine has expired.

The result is that advertisers no longer are obligated to pay royalties to the patent holder, Gerald V. Cleary Jr. Patent law allows that royalties generally need not be paid 17 years after issuance of a patent.

However, existing contracts that advertisers or others have with Cleary probably would remain in force if the terms of the contract went beyond the basic patent, according to the ANPA Legal Department.

Also, Association lawyers are studying whether Cleary or anyone else still holds a patent on any related process.

The patent that expired Sept. 27 laid down the procedure for efficiently folding and otherwise manipulating relatively heavyweight, one- or two-piece inserts with the Sheridan stuffing machine.

Prior to the development of this inserting procedure, suction-cup devices on the stuffing machine tended to cause more than one copy of a preprint to be inserted into the newspaper jacket. In addition, the machinery often jammed in the stuffing process.

It is believed no newspapers paid royalties since the patent was granted Sept. 27, 1966. But advertisers were subjected to payments. Because of that, ANPA Vice President/Technical William D. Rinehart said, the patent had an effect on the growth of the number of preprints in newspapers and could have contributed to some advertisers' use of direct mail in lieu of newspapers.

Minnesotans delay plan to adjust national rates

The Minnesota Newspaper Association has postponed implementation of a plan whereby national advertising placed in member newspapers through the association would be charged the same as the local rate.

At its Oct. 13 meeting, the MNA Board decided to reconsider the plan in mid-1984. It put the plan on hold at its September meeting. The plan had been approved by the Board last June [presstime, Aug. 1983, p. 20].

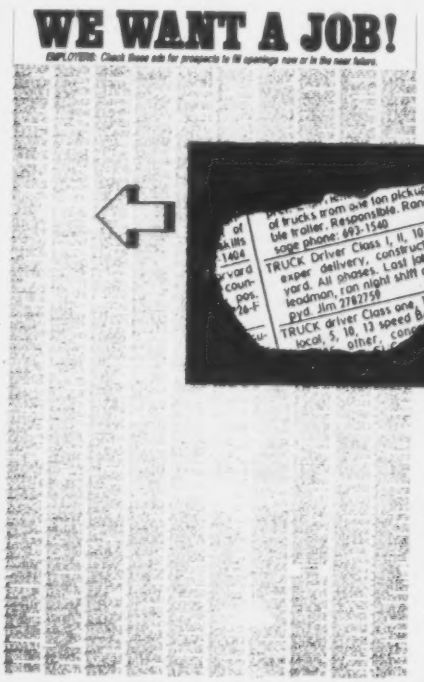
According to board members, there were several reasons for the postponement, including the uncertain status of American Newspaper Representatives Inc., the national advertising representative firm owned by the National Newspaper Association. A tentative agreement was reached in September to sell ANR to a group of state press associations [presstime, Oct. 1983, p. 53]. At press time, the agreement had not been finalized.

Follow-up study shows

Free classifieds help jobless

A program of offering free classified ads to job seekers produced impressive results at the San Diego Union and Tribune, according to results of what is believed to be the first follow-up survey of its kind.

Of the 6,000 people who took advantage of the offer last summer, nearly two-thirds received phone calls from potential employers, more than a third were interviewed for jobs, 23.6 percent received at least one job offer and 13.8 percent accepted jobs.


WE WANT A JOB!

EMPLOYERS: Check these ads for prospects to fill openings now or in the near future.

TRUCK Driver Class I, II, 10 yrs local exper delivery, construction, shipyard. All phases. Last job as transleadman, ran night shift at local shi- pyd. Jim 2782759

TRUCK driver Class one, 12 yrs

The ads were grouped on 10 pages with an identifying logo on consecutive Sundays in the Union and the following Mondays in the Tribune.

The median size of the applicants' families was 2.7, median family income was $16,534 and median educational level was 13.7 years, the survey indicated.

Nearly half of the ads were placed by people earning less than $14,999, but 18.2 percent reported family incomes of $35,000 or more.

Although the experiment was designed for the unemployed, a fourth of the applicants said they were employed at the time they placed the ad; nearly half of these people had held their jobs for less than six months.

A whopping 97 percent said the papers should provide the service again.

Classified Advertising Manager Chuck Apgar said the ads cost about $138,000, computed by multiplying the 6,000 ads by what they would have produced in revenue as paid classifieds—an average of $23 each. But Apgar acknowledged that the newspapers gained a lot in good will and in favorable publicity aired by the broadcast media.

Herbert G. Klein, editor-in-chief of Copley Newspapers, said the free ads were offered in response to a request from California's governor for businesses to help the unemployed. Whether the offer will be repeated, he said, depends on the economy. □

July ad revenues show biggest jump since mid-1970s

Advertising expenditures in U.S. daily newspapers in July increased 32.6 percent from July 1982 levels, the largest monthly increase since the mid-1970s, according to preliminary estimates of the Newspaper Advertising Bureau.

The performance was attributed to a generally stronger economy, lower interest rates and increased consumer confidence.

Increases from July '82 were 35.6 percent for classified, 34.7 percent for national and 30.3 percent for retail.

Total expenditures for the first seven months of this year were $11.243 billion, up 15.8 percent from the same period last year. Classified again was the leader, rising 22.8 percent. Retail was next with a 14.1-percent improvement, and national increased 9.1 percent.

NAB's estimates are based on information obtained from sources including Media Records Inc., state and regional press associations, newspaper companies and Standard Rate & Data Service. □

Washington Times asks delay of audit; 3 executives resign

Citing "certain irregularities" in the practices of its circulation department, The Washington Times has asked the Audit Bureau of Circulations to delay a scheduled audit for the six months that ended Sept. 30.

According to a statement by Editor and Publisher James R. Whelan, published in the Oct. 10 Times, three senior executives "resigned" after problems were "discovered" Oct. 6.

Although not identified in the Times story, the three executives were identified in an article in The Washington Post as Circulation Director Timothy Whiting, Circulation Manager Mark Rowse and Home Delivery Manager Larry DuVall.

The Times was first published in May 1982 by News World Communications Inc. Successful completion of the first year's audit would have qualified the Times, now an applicant member, for full membership in ABC [presstime, June 1983, p. 49].

The ABC has agreed to postpone the audit. Whelan said the Times will reapply "pending the outcome of an exhaustive internal investigation now under way."

Such delays are "not atypical" for new papers, said M. David Keil, ABC president and managing director. The bureau currently has about 25 applicants that have not completed first-year audits on time.

In his published statement, Whelan said there was "no reason to doubt the accuracy or validity" of circulation figures from the paper's first six months of operation. The March 31, 1983, audit by a Denver-based accounting firm, Fox & Co., showed Times circulation at 126,582. Possible "irregularities" are "of very recent vintage," said Whelan's assistant, Jonathan Slevin.

The investigation of figures from April 1 to Sept. 30 is being conducted by a different accounting firm, Arthur Andersen & Co., but Slevin cautioned, "Nothing should be read into that."

Circulation figures in two of the other 28 cities with fully competing dailies are currently in dispute—at The Trenton (N.J.) Times and the Sacramento (Calif.) Union [presstime, Sept. 1983, p. 25]. □

William S. Morris III

Publisher flies high but keeps low profile

By Clark Newsom
presstime staff writer

William S. (Billy) Morris III, considers himself fortunate in that he always knew what he wanted to do in life—be a newspaperman. He says he never thought of any other career.

The chairman and chief executive officer of Augusta, Ga.-based Morris Communications Corp. created a stir in the newspaper world last November when he outbid Gannett Co. Inc. and other newspaper giants for the Florida Publishing Co. of Jacksonville.

William S. Morris III

"I remember his father expressing an interest in buying the Jacksonville papers," says Beverly R. Carter, president and general manager of The Miami Herald. The senior Morris, who died in 1967, owned the Augusta Chronicle and Herald.

"Billy" started as a 14-year-old carrier and spent the summers of his youth working in the various departments at the papers before graduating from the Henry W. Grady School of Journalism at the University of Georgia where he served as editor of the Red and Black, the student newspaper that has been a training ground for many people now active in the newspaper business.

Following graduation in 1956, he served as a lieutenant in the Air Force for two years before joining the family business. Morris maintains his interest in flying and holds an Airline Transport Pilot rating, the highest civilian rating attainable.

In 1966, at the age of 31, Morris was elected president of the family corporation that published the Augusta and Savannah newspapers. He also was president of the Banner-Herald Publishing Co. of Athens, Ga. A family dispute developed after his father's death, and that dispute resulted in Morris' buying out his brother, mother and sister in 1970. Today, his Morris Communications Corp. is ranked by Advertising Age magazine as the country's 73rd largest media company.

The price Morris paid for Florida Publishing, which included two dailies in Jacksonville and one in St. Augustine as well as a weekly, has been estimated as between $175 million and $200 million [presstime, Dec. 1982, p. 43]. The price has never been confirmed, and Morris expresses amusement at the estimates.

Whatever the figure, it was a huge outlay for any company, especially so for one that does not exactly rank among the Goliaths of the industry. Morris acknowledges that currently his company is "not actively on the acquisition trail." But, he says, "we would look at any opportunity that came along."

In addition to those in Florida and Georgia, the corporation publishes daily newspapers in Juneau, Alaska, and in Amarillo and Lubbock, Texas. It also owns six weeklies in Georgia, South Carolina and Florida; four commercial printing plants; and Quarter Horse News, a magazine that reflects Morris' interest in quarter horses, which he raises on a plantation in South Carolina.

"Unlike some people who are entrepreneurs in the newspaper business, Billy has always had a wide range of interests," notes Carter, who was vice president and general manager in Augusta before joining Knight-Ridder Newspapers Inc. in 1970. "His interests are so broad they would be unusual when compared with anyone," Carter says. "And he doesn't approach his interests in a casual manner. For example, when learning to ski he quickly became proficient. There are a lot of dimensions to the guy."

Morris developed an interest in printing innovation as a youth, watching the old hot-type operation in the Augusta backshop. "The slowness in putting out the paper" bothered him, he says, and he was eager to examine new developments in the industry. "One reason Morris' operations have been more profitable than others is that he was on the leading edge of technological development," says one Southern newspaper executive. But Morris is not rushing into the latest innovation, pagination. "If your operation is already efficient, there is no gain in pagination," he says, reflecting his devotion to running a tight ship.

Morris made some sweeping management changes when he took over the Jacksonville dailies, eliminating a number of positions. He says many of the former Jacksonville positions became "redundant" after the purchase because the work and responsibilities are now handled out of the central corporate office. "There is economy in a group operation," he explains simply.

The 49-year-old Georgian is built as trimly as his personnel rolls. He was known for jogging several miles a day years before jogging became popular. Soft-spoken and self-effacing, but not shy, Morris seems to be a master of maintaining a low profile.

He is described by fellow publishers as "very pleasant," "courteous," "not particularly gregarious," "quiet," "interested in the thrill of the chase" and even as "a fun guy."

"He must have a lot of friends," observes one publishing colleague, "because he was elected to the AP board the first time he ran" in 1976. Morris is now in his third three-year term on the 21-member board.

Morris is sensitive to criticism about the editorial quality of his newspapers. The decision to attend journalism school was his own, he points out, and he maintains his interest in journalism education and in continuing education programs for his editors and staffers. For example, he recently arranged a two-day news management seminar in Augusta conducted by Rene J. (Jack) Cappon and Jules Loh of the Associated Press for 30 of the group's front-line editors and writers "to hone their skills."

"We have other seminars," Morris says. "There is continuous emphasis on news product quality, writing and graphics."

Morris and his wife, Mary Sue, live in Augusta. They have three children: two in college, one at home. □

The New Effort to Control Information

By Floyd Abrams

On Aug. 25, the Reagan administration publicly released a contract that has no precedent in our nation's history. To be signed by all government officials with access to high-level classified information, it will require these officials, for the rest of their lives, to submit for governmental review newspaper articles or books they write for the general reading public.

Floyd Abrams

The contract will affect thousands of senior officials in the departments of State and Defense, members of the National Security Council staff, senior White House officials and senior military and Foreign Service officers. Its purpose is to prevent unauthorized disclosure of classified information, but its effects are likely to go far beyond that. It will give those in power a new and powerful weapon to delay or even suppress criticism by those most knowledgeable to voice it. The new requirement, warns the American Society of Newspaper Editors, is "peacetime censorship of a scope unparalleled in this country since the adoption of the Bill of Rights in 1791."

The subject of hearings earlier this month of a subcommittee of the Senate Governmental Affairs Committee, this latest attempt at information control by the Reagan administration is part of a far more sweeping policy. It is one unique in recent history—clear, coherent and, unlike that of some recent administrations, not a bit schizophrenic. More important, it seems at odds with the concept that widespread dissemination of information from diverse sources furthers the public interest. In fact, it appears to be hostile to the basic tenet of the First Amendment that a democracy requires an informed citizenry to argue and shape policy.

In the two and a half years it has been in power, the Reagan administration has:

- Consistently sought to limit the scope of the Freedom of Information Act.
- Barred the entry into the country of foreign speakers, including Hortensia Allende, widow of Chilean President Salvador Allende, because of concern about what they might say.
- Inhibited the flow of films into and even out of our borders; neither Canada's Academy Award-winning "If You Love This Planet" nor the acclaimed ABC documentary about toxic waste, "The Killing Ground," escaped administration disapproval.
- Rewritten the classification system to assure that *more* rather than less information will be classified.
- Subjected governmental officials to an unprecedented system of lifetime censorship.
- Flooded universities with a torrent of threats relating to their right to publish and discuss unclassified information—usually of a scientific or technological nature—on campus.

So far, these efforts to control information have been noticed by those most directly affected, but by few others. The administration's policies, says the American Civil Liberties Union, have been "quiet, almost stealthy, difficult to see and therefore hard to resist." There is also the feeling among many Americans that the actions of this administration are less-than-threatening since they are fueled by the deeply felt conservative ideology of Ronald Reagan and not from the anger or meanness of spirit that, many feel, characterized the Nixon presidency. Furthermore, wrote The New York Times' columnist Anthony Lewis, these actions "have had little attention from the press,

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This is an administration that seems obsessed with the risks of information, fearful of both its unpredictability and its potential for leading the public to the "wrong" conclusions.

perhaps because the press is not their principal target."

However little noticed its actions have been, this is an administration that seems obsessed with the risks of information, fearful of both its unpredictability and its potential for leading the public to the "wrong" conclusions. Its actions are rooted in a view of the Soviet Union, in the president's words, as an "evil empire"—a view undoubtedly bolstered by the destruction by the Russians of a South Korean commercial jet on Sept. 1. It is a view that not only focuses on security but also equates security with secrecy, and treats information as if it were a potentially disabling contagious disease that must be controlled, quarantined and ultimately cured.

Distrust from the outset

The administration's distrust of the Freedom of Information Act was evident from its first days in power. Passed in 1966, the act—which has come to symbolize openness in government—permits citizens to request documents detailing government activities. It resulted in news articles revealing, among other instances of governmental wrongdoing, the My Lai massacre, the FBI's harassment of domestic political groups, and the CIA's surveillance on American college campuses. It also made possible such diverse books as *Perjury: The Hiss-Chambers Case*, by Allen Weinstein; *The Fourth Man*, by Andrew Boyle (which in turn led to the identification of Anthony Blunt as a one-time Soviet spy), and *Sideshow: Kissinger, Nixon and the Destruction of Cambodia*, by William Shawcross. Shawcross, a British writer, has called the act "a tribute to the self-confidence of American society."

Contending that the FOIA had weakened law-enforcement and intelligence agencies and become burdensome to implement, the administration made enactment of major amendments limiting the scope of the act a matter of high priority. One proposal, not adopted by Congress, sought a total exemption of the CIA from the provisions of the act, even though the agency had won every case in which it sought not to disclose properly classified information.

Unable to obtain congressional approval of its major amendments, the administration resorted to a different tactic. Under the FOIA, classified information is denied the public unless it can be shown in court that the material, according to the prevailing guidelines, was improperly classified in the first place. By changing the classification guidelines—something the President may do without congressional approval—the administration avoided the risk that the courts would order the release of such documents.

Early this year, the administration took additional steps—again, ones not requiring congressional approval. The Department of Justice reversed the policy formerly in effect of being "generous" in waiving the payment of processing fees to public-interest organizations seeking information under the act. Sternly phrased legalistic criteria were substituted, barring the waiver of fees unless the government first decided that, among other things, the information released "meaningfully contributes to the public development or understanding of the subject." The effect of the new guidelines was to permit the government itself to decide what information about its conduct—or misconduct—was "meaningful."

The administration also moved into other areas of information control. Under the McCarran-Walter Act, adopted over President Harry S. Truman's veto in 1952, foreigners may be denied visas to visit the United States if a consular officer or the attorney general "has reason to believe" the prospective visitor seeks "to engage in activities which would be prejudicial to the public interest." Given such sweeping statutory authority, an administration, if it chooses to, can give its ideological dictates free rein.

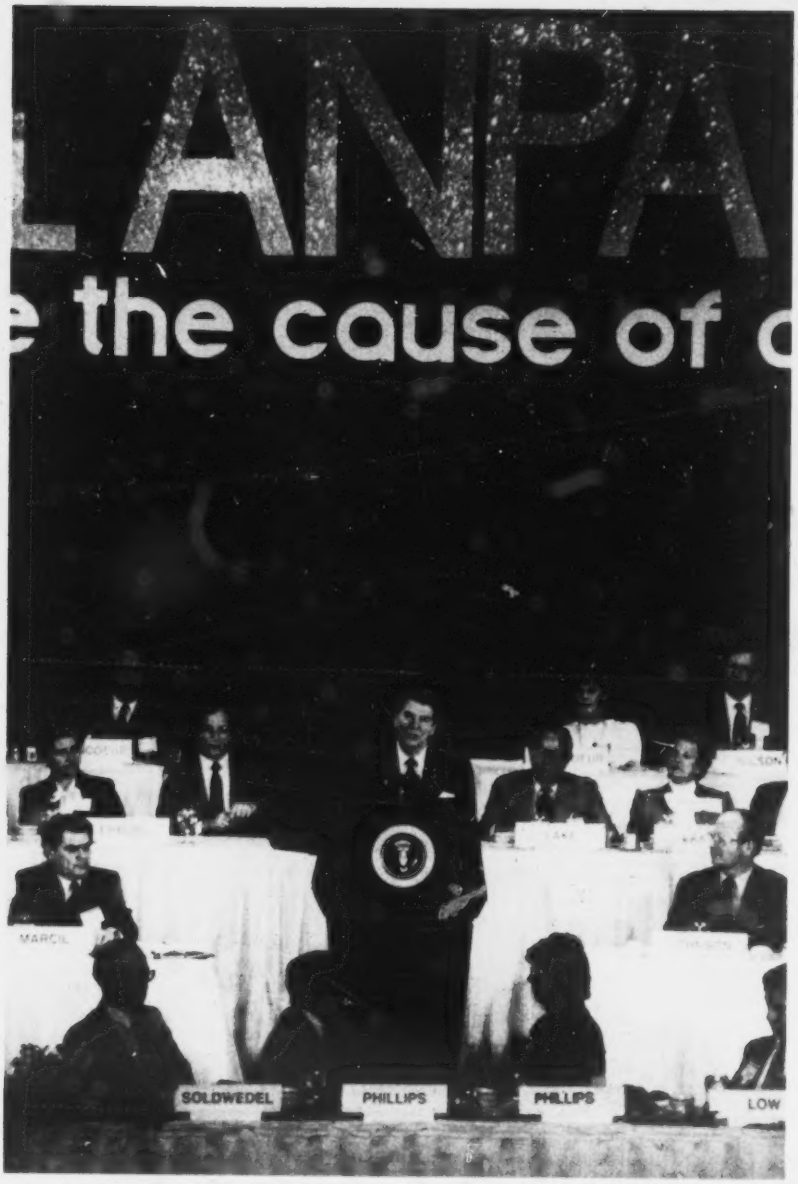
Invoking this act, the Reagan administration barred a wide range of foreign speakers. Allende was denied entrance to the country to speak. So were the Rev. Ian Paisley and Owen Carron, spokesmen for, respectively, the radical Protestant and Roman Catholic groups in Northern Ireland. Julio Garcia Espinosa, deputy cultural minister of Cuba, was barred from attending a film festival in Los Angeles because his attendance, according to a State Department spokesman, "could be prejudicial to U.S. public interests."

Last year, the Justice and State Departments prevented groups of foreigners from attending a United Nations disarmament session. When protests were made to Kenneth L. Adelman, then deputy United Nations delegate, about the denial of visas to hundreds of Japanese who wished to attend the session, his response was: "We have absolutely no legal obligation to let Tommy Bulgaria or anyone else from Soviet-front groups" enter the country.

Motion pictures have not escaped administration scrutiny. Since its adoption in 1938, the Foreign Agents Registration Act has required any film that is produced under the auspices of a foreign country and that is political propaganda to be so labeled unless the film is "not serving predominantly a foreign interest."

In the single most expansive, and best known, interpretation of the statute by any administration, the Department of Justice last year sought to require three films produced by the National Film Board of Canada to be labeled as political propaganda. One of the films, *If You Love This Planet*, subsequently won an Academy Award. The Department of Justice later summarized the film's "political propaganda" message this way: "Unless we shake off our indifference and work to prevent nuclear war, we stand a slim chance of surviving the 20th century."

Why a film with such a message was considered political propaganda has yet to be satisfactorily explained. Why it was considered to be serving "predominantly a foreign interest" also remains unexplained. On May 23, 1983, Judge Raul A. Ramirez of the U.S. District Court for the Eastern District of California entered a preliminary injunction restraining the Justice Department from requiring registration of the three films.



C. David Rambo

Reagan defends his administration's information policies before the 1983 ANPA Convention in New York City.

"The court," concluded Judge Ramirez, "is having great difficulty in ascertaining how any legitimate Federal interest is espoused or advanced by the classification of documents and/or films such as those before the court as propaganda. It makes no common sense whatsoever when we are dealing in a realm where the entire purpose is the dissemination of free ideas throughout the citizenry of the United States, so that citizens can bounce ideas off of each other to ascertain the truth."

American-made documentary films destined for foreign audiences have not escaped scrutiny either. Under an agreement adopted by a United Nations conference in 1948, film makers pay no American-export or foreign-import duties if the United States Information Agency certifies that they are primarily intended to "instruct or inform" rather than to propagandize.

It is the USIA that decides on which side of the line—"information" or "propaganda"—a film falls. It, in turn, relies on the government agency with expertise in the areas to advise it. Under this administration, as revealed in the July-August issue of American Film magazine, the result has been that the acclaimed 1979 ABC documentary about toxic waste, *The Killing Ground*, was denied a certificate. The Environmental Protection Agency concluded last year that the film was "mainly of historical interest" since the United States "has made great progress in managing hazardous wastes." *The Killing Ground* had won two Emmys, first prize at the Monte Carlo Film Festival and been nominated for an Academy Award. But to its EPA reviewers, "the tone of *The Killing Ground* would mislead a foreign audience into believing that the American public needed arousing to the dangers of hazardous wastes [when] this is no longer the case."

So intently has the administration focused on the perils of disclosure of information that it has sometimes failed to distinguish between information previously made public and that which has been kept secret. When the unaccompanied luggage of William Worthy Jr., an American journalist, and his two colleagues arrived from Teheran at Boston's Logan International Airport in December 1981, it included 11 volumes of American Embassy documents said to have been seized by Iranians during the takeover of the embassy, reproduced by

The (Reagan administration changes) that may have the most lasting impact are the decisions to classify more information and to subject government officials to lifetime prepublication review.

them and sold freely on the streets of Teheran. The documents had been secret. By the time the three Americans obtained a copy, they could hardly have been so to any intelligence agency in the world.

Nevertheless, the volumes were impounded by the FBI and Customs officials at the airport. A year later, after the journalists had sued the government, the two agencies agreed to an out-of-court settlement of $16,000.

Prepublication review

Of all the policy changes of the Reagan administration from that of its predecessors, the ones that may have the most lasting impact are the decisions to classify more information and to subject government officials to lifetime prepublication review.

This occurred in three stages, the first taking place eight months after the inauguration of the new President. One of Attorney General William French Smith's first major acts in 1981 was to revoke Justice Department guidelines issued just a year before concerning the United States Supreme Court decision in *Snepp v. United States*. In 1980, the justices had upheld, by a 6-3 vote, a CIA requirement that its employees agree to lifetime prepublication review by the agency of their writings to ensure that no classified material was revealed. The Supreme Court concluded that someone subject to such an agreement who failed to submit his writings, even of unclassified information, breached the agreement. Frank Snepp 3rd, a former CIA analyst of North Vietnamese political affairs, was obliged to turn over to the government all of his earnings from his book *Decent Interval*.

The Supreme Court ruling contained broad language that could be interpreted to permit the same prepublication review procedure to be applied, as well, to the tens of thousands of non-CIA employees who also have access to classified information. The government had not sought that degree of power in the Snepp case. Nor is it clear that the court intended that result.

Aware that in hands insensistive to First Amendment rights the Snepp opinion might be overextended, Attorney General Benjamin R. Civiletti issued a set of guidelines. They called for the government to consider several alternative actions before rushing to court to obtain injunctions against publication of unintentional and possibly meaningless disclosures of information. Among the factors to be weighed was whether the information already had been made widely available to the public and whether it had been properly classified in the first place.

In revoking the Civiletti guidelines, Attorney General Smith explained that his department sought to avoid "any confusion as to whether the United States will evenhandedly and strenuously pursue any violations of confidentiality obligations." However, no example was offered of any harm actually or even potentially caused by the Civiletti guidelines.

The second step taken by the administration related to the classification system itself. The system had long been criticized for its absurd overinclusiveness. Between 1945 and 1963 alone, more than 500 million pages of documents had been classified. By 1973, 160 million pages of classified World War II documents still had not even been reviewed to determine if they should be made public. President Richard M. Nixon once observed that even the White House menu was classified.

A 1978 Executive Order signed by President Jimmy Carter attempted to limit the amount of information unnecessarily kept from the public. Government officials were ordered to consider the public's right to know in classifying information and were told to use the lowest level of clearance when in doubt. Classification of information was permitted only on the basis of "identifiable" potential damage to national security.

By an executive order signed on April 2, 1982, President Reagan reversed each of the critical components of the reforms adopted four years earlier. Government officials were no longer required even to consider the public's right to know when they classified information. When in doubt, government officials were to classify material at the highest, not lowest, level of secrecy. The requirement that potential harm to national security be "identifiable" was abandoned.

The third step was taken on March 11, 1983. That day, a presidential directive was issued, requiring a wide range of additional present and former government officials to obtain clearance from the government before publishing material that *might* be classified. The Justice Department document detailing the directive cited the Snepp decision as the basis for the requirement.

The new presidential order and the Aug. 25 "agreement" released by the administration that implements it establish a category of information described as "sensitive compartment information," or "SCI"—classified information that is "subject to special access and handling requirements."

Richard K. Willard, deputy assistant attorney general, has defended the presidential directive by saying that the "prepublication review program provides a reasonable method of preventing disclosures by those employees who have had access to the most sensitive kind of classified information."

However, according to the Justice Department document explaining the directive, prepublication review will be required of all books (fiction or nonfiction), newspaper columns, magazine articles, letters to the editor, pamphlets and scholarly papers by officials with access to SCI materials, so long as what is written describes activities that relate to SCI, classified information from intelligence reports, or "any information"—classified or not—"concerning intelligence activities, sources or methods."

Under the new policy, there is no need to submit for prepublication review material consisting "solely of personal views, opinions or judgments" on topics such as "proposed legislation or foreign policy." But the Catch-22 is this: If the

Margaret Genovese

Representatives of the press make their case that the FOIA should be "fine tuned" by Congress, not gutted. Testifying in July 1981 before a House government operations subcommittee were (from left) William Cox of The Courier-Journal in Louisville, Eric Ridder of the Journal of Commerce, and Edward Cony of Dow Jones & Co. Inc.

opinion even implies "any statement of fact" that falls within the range of review, then the material must be cleared by the government before it is published.

Since most opinions worth expressing about American defense or intelligence policies at least imply some proscribed facts, what the new requirement amounts to is a massive intrusion of the government into the right of former officials to speak and of the public to listen.

Responding to the initial announcement in March, the Society of Professional Journalists, Sigma Delta Chi, called the directive an "ill-conceived proposal" that is "as troubling as it is sweeping. . . . Taken with previous actions by the administration to stem the flow of government information to the people, the cumulative effect is a major retreat from this country's commitment to open government."

So breathtaking is the scope of the presidential directive that if it had been in effect before this summer, many articles published in this magazine could not have been printed without prior governmental clearance. An article last year by Gen. David C. Jones, former chairman of the Joint Chiefs of Staff under Presidents Carter and Reagan, criticizing the current defense establishment, would have had to be cleared by the very establishment Gen. Jones was denouncing. This year, two articles—one by Earl C. Ravenal, a Defense Department official under President Johnson, urging withdrawal of American forces around the world, and the other by Leslie H. Gelb, the national-security correspondent for The New York Times who had served in the Johnson administration, on arms control—criticized policy decisions made by those who would be reviewing them.

The effect of the directive is this: Those people most knowledgeable about subjects of overriding national concern will be least able to comment without the approval of those they wish to criticize.

Academic community

Changes in law to assure that far more information will be kept from the public are only one aspect of the Reagan administration's new era of secrecy. Another, far less known, has pitted the administration against much of the country's university community.

From its first days, the administration has been concerned that the fruits of American technology have been flowing too freely abroad. "Publication of certain information," complained Adm. Bobby R. Inman, then deputy director of the CIA, "could affect the national security in a harmful way." Deputy Secretary of Defense Frank C. Carlucci similarly warned that the Soviet Union was engaged in an "orchestrated effort" designed to gather the "technical information required to enhance its military posture."

The problem that has been vexing the administration has not been one of classified information. To avoid governmental interference in the open exchange of views at universities, many leading universities have refused to engage in any classified research. The problem has been with material that is not classified at all.

Only a month after President Reagan took office, the president of Stanford University, Donald Kennedy, forwarded a letter to Secretary of State Alexander M. Haig Jr., Secretary of Defense Casper W. Weinberger and Secretary of Commerce Malcolm Baldridge. Written by Dr. Kennedy and the presidents of California Institute of Technology, Massachusetts Institute of Technology, Cornell University and the University of California, the letter expressed concern about administration interpretation of two statutes.

The university presidents observed that the International Traffic in Arms Regulations and the Export Administration Regulations, which had "not until now been applied to traditional university activities," seemed about to be interpreted so as to inhibit or bar the exchange of unclassified information, the publication of such material, as well as its use in classroom lectures when foreign students were present.

"Restricting the free flow of information among scientists and engineers," the university presidents urged, "would alter fundamentally the system that produced the scientific and technological lead that the government is now trying to protect and leave us with nothing to protect in the very near future."

The administration's response was made more than four months later in letters from James L. Buckley, under secretary of state for security assistance, science and technology, and Bohdan Denysyk, deputy assistant secretary for export administration of the department of commerce. Both tried to assuage the concerns of the university presidents. Neither could fully succeed in doing so. Both letters assured the university presidents that no "new" construction of law was being imposed by the administration, but the letters were so qualified that it remained unclear just what unclassified technical data were deemed by the administration to be too sensitive to be taught. Meaningful clarification has yet to be received.

What has been received by universities is a series of letters forwarded from the State and Commerce Departments suggesting that ordinary teaching of unclassified materials may be considered an "export" within the meaning of laws barring the exporting of secret technology. If so, the universities might be subject to civil or even criminal sanctions.

The information policies of this administration are radical and new. The across-the-board rejection of the values of information is unprecedented. So is the ease with which (they) have been overcome.

In 1981, for example, in a letter similar to that sent to universities around the nation, the then State Department exchanges officer, Keith Powell 2nd, asked the University of Minnesota to restrict the academic activites of Qi Yulu, a Chinese exchange student, including denying him access, in the area of computer-software technology, "to unpublished or classified government-funded work." Federal law-enforcement officials also visited the university to emphasize the need for the restrictions.

In a blistering response, the University of Minnesota's president, C. Peter Magrath, pointed out to Powell that since the university refused to accept classified government research, scholars from China would not have access to any such material. "We have all kinds of unpublished government-funded research all over the campus," Dr. Magrath went on, "your proposal would restrict him from access to all of it."

Powell had asked that the government be informed prior to any visits of Qi Yulu to any industrial or research facilities. "I can only interpret this," wrote Magrath, "to give us the choice of confining him to the student union or contacting you several times a day about his campus itinerary. . . . Both in principle and in practice, the restrictions proposed in your letter are inappropriate for an American research university." The proposed restrictions, Magrath concluded, "can only have a chilling effect upon the academic enterprise. . . ."

Some foreign scholars have not been able to come to this country because of administration demands that limits be placed on their academic work while they were here. Cornell University, for example, could not invite a Hungarian scientist specializing in electronic circuitry to its campus after the Commerce Department stipulated that the scientist could not receive information in classroom situations (seminars or private discussions being forbidden) and that he could not be given prepublication copies of research papers. Similarly, when Stanford University was advised that a Russian scholar in robotics—who had been invited to this country by the National Academy of Sciences—could not have general access to university facilities (all of which were of unclassified research), the visit was canceled.

The government's activities have not been limited to threatening university administrators with sanctions. A year ago, the Defense Department prevented the publication of about 100 unclassified scientific papers at an international symposium on optical engineering in San Diego. Only hours before the long-planned convention was to begin, the department sent a telegram warning that any presentation of "strategic" information might be a violation of law.

As reported in Science News magazine, the government's censorship action appeared "to be unprecedented in [its] timing, in the large number of papers removed and in the scope of the papers' content." Defense Department officials felt their actions reflected "a greater sensitivity and a tightening up on what can be released in an international forum, particularly one that involves the Soviets."

But to the scientific community, the administration's action was indefensible. In a letter to Secretary of Defense Weinberger, Victor S. Stone, president of the American Association of University Professors, expressed "profound concern" at the Defense Department move. "To restrain the dissemination of unclassified scientific knowledge," the letter said, "is to restrict academic freedom, which is of fundamental importance to our entire society."

The Department of Energy earlier this year weighed in with its own proposal that continued public dissemination of certain already published "unclassified but sensitive information" about nuclear facilities be prohibited. There can be no quarrel with its purpose—to frustrate the efforts of terrorist organizations to produce nuclear weapons or sabotage nuclear facilities. But the proposed rules are so vague (permitting the DOE to withhold almost any information about nuclear facilities) and so unlikely to work (once information is public it is all but impossible to make it "secret" again) that an extraordinarily diverse array of groups—from state officials, universities and public-interest organizations to libraries, Indian tribes and unions—have questioned them, either in testimony given in Washington this summer or in letters to the DOE.

The Oil, Chemical and Atomic Workers International Union pointed out that the DOE proposal would prevent "the public, workers and the families of workers from protecting themselves against unnecessary exposure and the effects of exposure to ionizing radiation." Similar objections relating to health and safety were voiced by environmental groups and on behalf of Indian tribes, whose reservations are near DOE nuclear installations.

Perhaps the most telling response was that of Hugh E. DeWitt, a nuclear scientist at the Lawrence Livermore National Laboratory. The very notion of "Unclassified Controlled Nuclear Information," Dr. DeWitt wrote, would "fit neatly into the mad world described by George Orwell in his book *1984*." The new category of information "simply gives government officials another very broad method to hide their own mistakes and keep information from the American people."

Little public concern

Undoubtedly, some information should be kept secret. The design of weapons, the intricacies of codes, confidences exchanged with foreign leaders and other governmental information that is vital to the security of this nation are and should remain classified. To that extent, the Reagan administration's concern about the disclosure of information is not in itself objectionable.

Nor is the Reagan administration alone in taking actions that restrict freedom of information. The McCarran-Walter Act, for instance, was misused by other administrations to bar speakers with disagreeable views from entering the country. In 1980 the

Margaret Genovese

Assistant Attorney General Rose unveils the Reagan administration's proposals to amend the FOIA at an October 1981 hearing before the Senate Judiciary Subcommittee on the Constitution.

Carter administration blocked the entry into the United States of the prominent Italian playwright and actor Dario Fo because, as one State Department official phrased it, Fo "never had a good word to say" about the United States. (This year, the Reagan administration, too, denied Fo an entry visa.)

The Intelligence Identities Protection Act, a law signed by President Reagan banning disclosure of the names of individuals involved in some way with the CIA, even if they had committed criminal acts under the laws of this country, had been drafted by the Carter administration. Characterized by the University of Chicago law professor Philip B. Kurland as "the clearest violation of the First Amendment attempted by Congress in this era," it remains a stain on the constitutional records of both administrations.

Nonetheless, the information policies of this administration are radical and new. The across-the-board rejection of the values of information is unprecedented. So is the ease with which those values have been overcome.

That all this has occurred to little public notice and only slight public concern stems in part from the personal affability of the President and the lack of malevolence of his aides. If anything, they are more likable and less cynical than is the Washington norm.

The administration has been fortunate that each aspect of its policies has usually been considered separately. University administrators have understandably focused on threats to universities; labor unions have naturally concentrated on threats to the health of their members; the press has too often limited its focus on its right to report the news. One of the few exceptions has been the American Civil Liberties Union, which has challenged the actions of the administration both in the courts and in Congress.

Those actions raise almost endless legislative and constitutional issues. It is clear, for example, that the President may lawfully change the classification system. But Congress, if it chooses, may frustrate the administration's efforts to narrow the scope of the Freedom of Information Act. Legislation proposed by Sen. David Durenberger (R-Minn.) and six other senators would do so by providing that even properly classified information will be unavailable to the public under FOIA only when the disclosure of the information "could reasonably be expected to cause identifiable harm to national security" and when "the need to protect the information outweighs the public interest in disclosure."

In other areas, Congress may, and probably should, amend the McCarran-Walter Act to delete the sweepingly discretionary language that has permitted the State Department to deny American audiences the chance to hear and judge for themselves those foreign speakers the administration deems objectionable. When President Truman vetoed the bill in 1952, he warned that "seldom has a bill exhibited the distrust evidenced here for citizens and aliens alike." History has proved him right.

Congress may, and probably should, also amend the Foreign Agents Registration Act to delete the requirement of labeling foreign films as "political propaganda." Rep. Robert W. Kastenmeier (D-Wis.) has proposed such legislation.

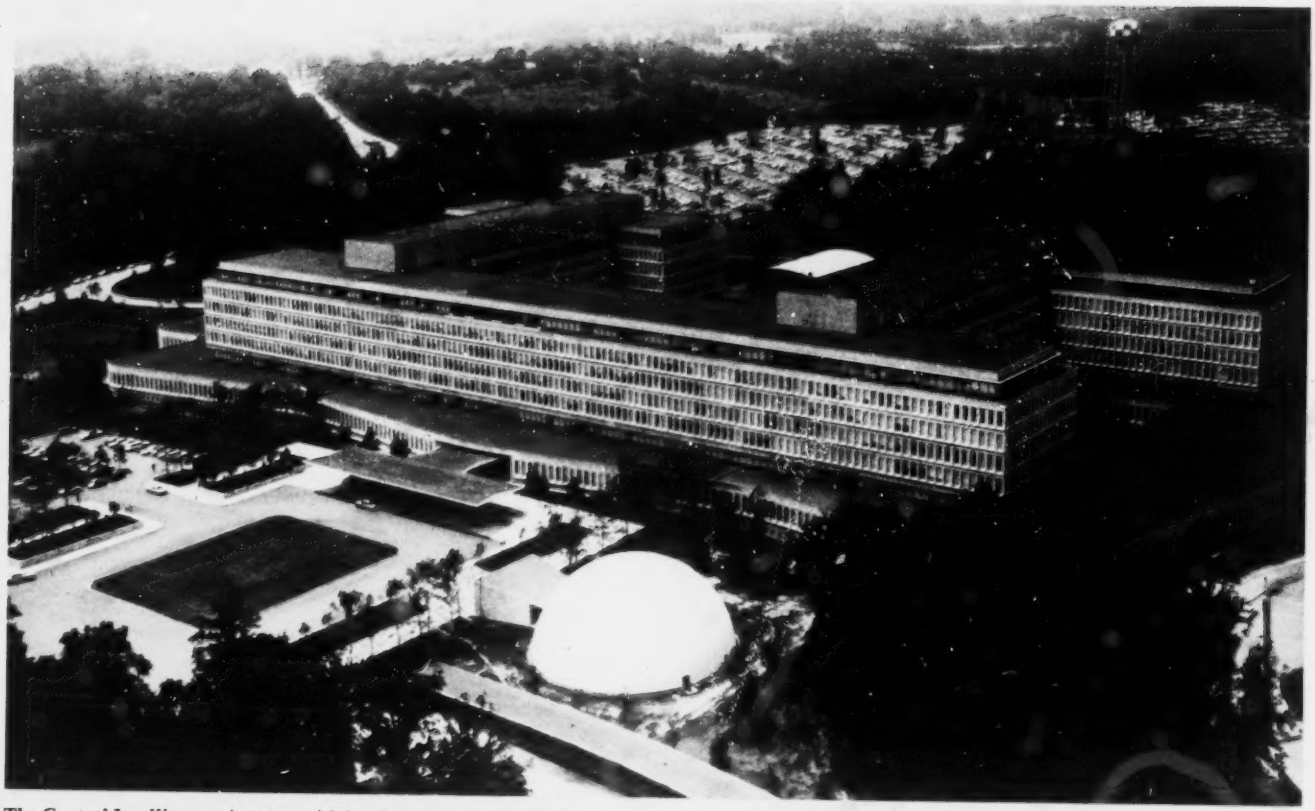
Still other decisions are within the control of the courts in their role as protectors of constitutional rights. Some aspects of the Reagan administration's information policy seem highly unlikely to pass First Amendment muster. It is one thing to say that CIA agents such as Frank Snepp must abide by a contract of silence imposed upon them in the absence of prior governmental clearance. It is quite another to say that the First Amendment could conceivably tolerate the sweeping new restrictions on freedom of expression of thousands of former government officials not involved with the CIA.

Similarly, it seems most unlikely that disclosing unclassified material previously made public can, consistent with First Amendment principles, be made illegal. When those efforts are directed at universities that have historically received the special First Amendment protection of academic freedom to assure the free exchange of ideas, the chances that any prosecution could succeed seem all the less likely.

The question of motive

There remains the question of motive. Why has this administration gone so far, so fast? Why has it adopted new government-wide policies limiting the dissemination of information without any showing that harm had been caused by policies previously in effect?

One answer may be easily rejected. It is not because harmful leaks of information have increased in recent years. Deputy Assistant Attorney General Willard, testifying before the House Subcommittee on Civil Rights this spring, observed that "we



The Central Intelligence Agency, with headquarters in Fairfax County, Va., is often the focal point of freedom-of-information disputes.

have never suggested that it's a problem that has increased greatly in severity in recent years. It's always been a problem." The same day that Willard testified, Steven Garfinkel, the director of the government's Information Security Oversight Office, or ISOO—which is responsible for the security of all executive-branch agencies involved with classified materials—acknowledged that in the past three years only about "half a dozen" leaks had even been reported to his agency.

What, then, has prompted the administration's exuberant efforts in this area? In part, is is because the administration seems not to give much more than rhetorical credit to the concept that the public has a serious and continuing interest in being informed.

There is also a matter of tone. Many of the changes in the classification system are the product of anger by the intelligence community at the Carter administration. ISOO has explained that one reason the classification system was rewritten was because the rules previously in effect sounded too "apologetic." Changes in language between that of the Carter administration ("Information may not be considered for classification unless it concerns . . .") and that of the Reagan administration ("Information shall be considered for classification if it contains . . .") were justified as the substitution of "positive" words for "negative" ones.

Beyond this, there lies something far deeper. The administration is not only generally conservative; its policy is rooted in the concern that Soviet armed might vastly outstrips that of this country and immediately imperils us. With such a world view, claims of national security seem invariably to outweigh any competing interests.

In one sense, there is a kind of logic to the administration's position. Assistant Attorney General Jonathan C. Rose, defending that position, has said that "freedom of information is not cost free; it is not an absolute good." Nor can we be sure what the costs will be. We cannot know what Mrs. Allende might have said had she been admitted to the country or what Qi Yulu may have learned on the University of Minnesota campus. We can hardly be sure that all unclassified information is harmless information. But if we are to restrict the spread of information because we cannot guarantee its harmless effects, we will have much restricting to do in the future.

We will also pay a high price for doing so. The "system that produced the scientific and technological lead that the government is now hoping to protect" has been a basically open one. By threatening the openness of the process by which ideas are freely exchanged, the administration threatens national security itself.

It also threatens the nature of American society. If the Russian attack on the Korean jet reinforces the administration's view about Soviet behavior, it also accentuates the differences between the two countries. It is in the nature of Soviet society to suppress information and to punish those who reveal it. It is in the nature of our society to reveal information and to punish those the information indicates should be punished. The Reagan administration's moves toward a less open society are contrary to our most deeply felt traditions.

There are, as well, longer-range risks in the creation of a new and pervasive apparatus of government secrecy. In relatively placid times, the apparatus may seem merely bothersome to those it touches. In less stable times, it can too easily be used to suppress information essential to the self-government of the country.

In the end, our society is based upon the judgment that the free exchange of information, except in those rare situations where openness will clearly lead to harm, is in the public interest. "Sunlight," Justice Louis D. Brandeis wrote, "is said to be the best of disinfectants; electric light the most efficient policeman." □

Bold action can meet direct-mail threat to preprints

By Eugene C. Patterson

Despite all that's been written about new information technologies and their implications for print media, a more immediate challenge to newspapers is not electronic, in my view. It's old-fashioned. It started five or six years ago when big advertisers like K mart, Sears, Penney—the big national advertisers with stores all over the place—began a trend to pull their advertising out of the run-of-paper and print it separately en masse somewhere on a press that does beautiful color work. Then they ship those preprints—sections, tabloids, broadsheets—by rail or truck to newspaper plants all over America and use us as envelopes simply to hold these preprints.

Eugene C. Patterson

You've seen them. They fall out of your paper in your lap on Sunday morning.

That's troubled me, and it's troubled everybody I know in the news business, because instead of having those advertisements as integral parts of newspapers around which the news and other editorial material are wrapped, these advertisements have become separate. But you can see the advertisers' reasons.

First, newspapers didn't do their job in providing quality printing. If you took the same ad and you sent it out to a thousand different newspapers, you got a thousand different qualities of printing. Advertisers said, "Why should I pay this amount of money when some of these papers are doing just a terrible job of reproducing my ad?" And because we weren't doing uniformly good work, they decided to go to printers who could, and to ship us the finished work.

Second, because they had these multimillion-copy press runs, they could get a volume discount.

You don't have to go to business school to learn that the way to make a profit is to do something better and faster and cheaper. If your competitor is doing it, he's going to dominate.

So we face the challenge of the preprints. And that challenge has moved a little further. Suddenly, some big advertisers are saying, "Why in the world are we shipping these preprints down to the St. Petersburg Times or the Indianapolis Star to let them tuck them into their papers and deliver them to their subscribers when not everybody in town subscribes to the paper? We want total market coverage. The way we're going to get it is either to put these ads in a shopper, that little free thing that's thrown on your lawn—you don't especially want it, but there it is—or to mail them third-class in something called direct mail."

The U.S. Postal Service—that's a tough competitor. It has a huge budget and can move costs around from one item to another so that you don't really know what third-class mail should cost. It's a shell game. Sure enough, a little while ago USPS lowered third-class rates for users who presort the mail by postal carrier route. The Postal Service brought third-class rates down to a level that many advertisers decided is cheap, and they said, "Hey, we're going to hit every house in Indianapolis or St. Petersburg if we simply let Advo-System—a big company that's in the business of sticking things in envelopes and mailing them to your house—handle it."

That's now happening. In the Middle West, quite recently, K mart told every newspaper in several states that had been carrying their preprints, "We're going to give these ads to Advo and see what happens."

Then Sears announced that the preprints that the St. Petersburg Times had been carrying on Thursdays for a very long time were going to be turned over to direct mail through Advo because Sears felt its rate was lower and coverage was total.

When it did, we went to Sears and said, "Let's test this matter. We have confidence that we are a greater advertising medium than direct mail. We'll just point to right field like Babe Ruth and bet you we'll hit a home run across it. We will send about 30 interviewers from our research department to six exits each at three of your biggest stores on the west coast of Florida, and over an eight-day period we will interview people as they leave those stores. You'll be putting ads in the St. Petersburg Times even as you mail that preprint. So we're going to ask them, 'Did you see an ad in your mail or in your newspaper that influenced you to buy the merchandise that you have in your arms?' "

Sears welcomed this, because it wanted to know the result too.

So instead of cowering, afraid that we were losing business forever, we decided to be bold enough to bet that we're the best. We sent the interviewers out, and more than 5,000 people were interviewed. We determined as they came out of the store that they bought about $180,000 worth of merchandise over the eight days. Twenty-five percent of the purchasers said they had seen the Sears ad for the items purchased. From that 25 percent who bought as a result of the ads, we determined that the Times had outperformed direct mail by 8 to 1. We demonstrated this conclusively to Sears. That, together with a volume discount—we cut our price—resulted in Sears' announcing to Advo that it was dropping direct mail as of Nov. 1 and coming back as a preprint insertion of the St. Petersburg Times!

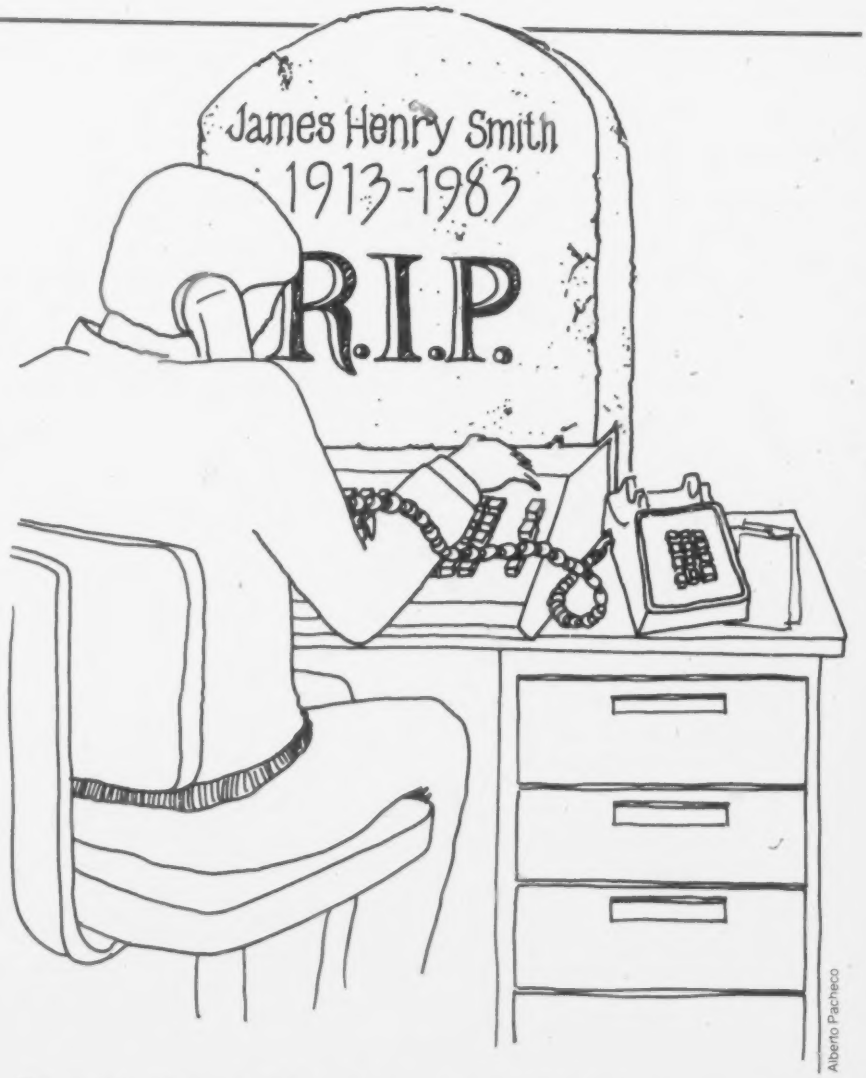
I think this story contains the answer for newspapers. We're under challenge in the marketplace. First, we've got to have confidence in what we sell. We have great reader loyalty. We have people accustomed to receiving advertisements and reacting to them in newspapers that they come to trust and feel are a part of their home. Second, if we haven't printed ads well enough to keep them on our presses, we need to get presses and learn printing procedures that will reclaim those ads from preprints. Finally, if our price is out of line, we've got to get that price back in line. After all, this is a free enterprise country, and you can't blame an advertiser for looking for the best deal he can get. □

Patterson is president and editor of the St. Petersburg (Fla.) Times. This article is excerpted from remarks he made Sept. 6 at the Indiana University School of Journalism.

Obits

Newspapers' eternal draw for readers

By C. David Rambo
presstime staff writer



Alberto Pacheco

Although the electronic media have shown they can grab the public's attention often by reporting breaking news first, there remain large areas of information beyond their reach or capability. One of the most secure of all of these is unglamorous but highly popular, and it is the province almost exclusively of newspapers—the obituary.

"Where else are readers going to get it? The radio? They're not going to get it there," says Donald E. Gordon, managing editor of The Southeast Missourian of Cape Girardeau, Mo., referring to those write-ups of deaths and lives of the known and the relatively unknown that only newspapers provide.

Of course, the broadcast media can and do report deaths of national figures and celebrities. But even then they cannot provide the detail followers demand. Often TV news reports of the death of an actress, actor, author or other prominent person simply whet the appetites of fans who rush out to buy newspapers to read detailed information not offered on TV.

When singer Elvis Presley died unexpectedly amid suspicions of a drug overdose in 1977, the media were almost unable to respond to his millions of fans' demands for information about their idol's death—and life. Some editors totally underestimated the public's cry for information about Presley. Many who gave scant attention to his death found themselves inundated with phone calls from anguished fans, and they responded with more detailed stories and sidebars on the second day after the death.

By the day of Presley's funeral, many newspapers were sending staffers to cover the Memphis ceremony and printing what amounted to special supplements on the death of the "King of Rock'n'Roll." They sold out.

The point is, only newspapers have the space, the time and the staff to fill the readers' needs for obituary information—whether it concerns the death of a front-page newsmaker or a person known only to a handful of others on the face of the earth.

And many Americans believe that the *only* time their names will ever appear in a newspaper is in their obituary.

Changing times. How that one and only occurrence is handled—or even if it is handled—depends greatly on the winds of change that have reordered many newspapers' approach to obituaries.

At one time, most obits contained flowery language, long lists of survivors and highly embellished accounts of the deceased's worldly achievements. They seldom, if ever, mentioned the cause of death.

Now, many newspapers are much more selective in the information they will carry about the people to be honored with an obit.

Many adjustments over the years in the handling of obits are simply a realistic response to contemporary needs and lifestyles.

For example, some newspapers have started to run the names of non-relative "survivors" in the case of unmarried couples. The "live-in friend" presents "a new problem that's sort of peculiar to this day and time," says Gordon. He believes that

under many circumstances this unrelated surviving person "was too much a part of the (deceased) person's life to be left out of the obituary."

In the interests of saving space and editing more tightly, many newspapers have reduced the number of survivors' names. Years ago it was not uncommon to see accounts listing all aunts, uncles, grandchildren and distant cousins. But now most newspapers' policies are to mention only immediate family, including spouses, children, parents and siblings.

Also to save space, many newspapers such as The Washington Post have made typographical and headline changes. The Post, which unlike most big-city dailies complies with all family requests to run obituaries, has abandoned separate headlines for each person and has replaced them with boldface namelines that are slightly larger than the body copy.

Many newspapers are showing less reluctance to print the cause of death. Cancer, especially, used to be taboo at many papers because families thought there was a stigma attached to the disease.

Now, some papers virtually mandate listing the cause of death. Some funeral directors and survivors at first were infuriated with what was perceived as an unwarranted invasion of privacy at a time of great family grief. One obit writer noted, however, that opposition seemed to melt after readers became accustomed to seeing the cause of death routinely listed in local obituaries.

Coverage of suicide still presents problems. At one time some newspapers actually ignored some suicidal deaths. More frequently, papers would run an obituary but simply not mention suicide as the cause of death. Today, coverage of suicide or suspected suicide is much more candid, although many newspapers say they still use discretion and decide each case individually.

At least one newspaper, The Southeast Missourian, has started running the full date of a person's death because obits often are "clip material" that would not include the folio line showing date of publication. "Reading the date in the paper that day doesn't mean much, but 10 years from now, it will mean something," explains Gordon.

Continuing practices. Perhaps more significant than the changes in obit policies are those practices that have remained unchanged.

Most newspapers appear to be sticking to their old ways on one of the most basic policy questions—should all obits be run, only those requested by the family or only those that are newsworthy? Most large newspapers still do not run all requests. At the Seattle Post-Intelligencer, for example, an obituary must "make the paper on its own merits," says Assignments Editor Michael J. Sweeney. Each person must be "newsworthy in their own right."

Sweeney says the newspaper runs about half of all obits submitted. "We don't get many (requests) because people know better," he adds.

On the other hand, most small papers carry on the tradition of running all obits of residents in their circulation area or of people with local ties. "In a small town, the obituaries probably are one of the most popular items because everybody knows everybody," says Larry Brubaker, editor of the Northwest-Signal, Napoleon, Ohio.

"From a philosophical point of view, too,

Obituaries are really about life, not about death

A lot of young reporters might think that being assigned to write obits is—dare one say it?—a dead-end job. But according to some people who make their living at it, that's not so.

"It's not as morbid as it sounds," says William D. Laffler, obituary editor of United Press International who also calls himself the "resident necrologist." "I find it very interesting to see what human beings can accomplish."

Richard Pearson, obituary writer of The Washington Post, agrees. "You're really through with the death in the first paragraph, or at least you should be. After that, it's an interesting life."

The challenge to obit writers is to get beyond the bare statistical data that a person will normally generate in a lifetime and make the story "a profile rather than a set of facts," says Albin Krebs, obituary writer of The New York Times. "You must find the telling thing that shows the personality."

Of course, the freedom obit writers at larger papers enjoy is much broader than that for desk hands at small papers, whose task consists essentially of taking information over the phone from funeral directors and then writing a formula death notice.

Krebs, for example, spends much of his time writing and updating advance obituaries—that is, news stories of the deaths of people who are still very much alive. He says he generally has a free hand in selecting the living people for whom he writes his detailed advance obituaries. And he is free to travel to conduct interviews with friends, family and associates of the subjects, and, going directly to the source, the subjects themselves.

When Krebs interviewed actress Bette Davis several years ago, she was shocked when she learned the reason for the interview and told him indignantly, "I have no intention of dying in the next 10 years."

Among his favorites have been Noel Coward, Louis Armstrong (two who "really opened up" to him), Lord Mountbatten of Burma and Lyndon B. Johnson. They were "bigger-than-life people, all of them, who were marvelous talkers."

One drawback to the job is having to deal with reactions like that of actress Davis. "Some are amused. Some are flattered. Some are very, very . . (upset)," says Krebs.

"You have to appeal to their vanity," Laffler of UPI says. "You might tell them, 'Look, it's a memorial. You'll want something in the files, won't you?'"

Another approach is to tell the interviewee that the information simply is an update for the newspaper's general files in case the person wins an award or is noted for an achievement.

Or in the case of politicians who have been involved in controversial issues for much of their life, "I often tell them we want to set the record straight," Krebs adds.

An advance obit is no guarantee, however, that a newspaper will be fully prepared when a person dies. Krebs says in the case of famed British stage and screen actor Sir Ralph Richardson, who died Oct. 10 in London, "the editors thought (the advance obit) was flat, so I had to start from scratch."

to let somebody's death pass unnoticed is in bad taste," says Frank R. Wetzel, editor of the Journal-American in Bellevue, Wash.

Virtually all newspapers agree that obituaries get high readership, particularly among older people.

Leo Bogart, in his 1981 book *Press and Public: Who Reads What, Where, When and Why in American Newspapers*, reported that a 1977 study showed 63 percent of respondents 55 years old or older had "at least some interest" in obituaries. Comparable interest for the other age groups, he reported, was: 45 to 54 years old, 58 percent; 35 to 44, 61 percent; 30 to 34, 51 percent; 25 to 29, 42 percent; and 18 to 24, 45 percent.

Bogart's figures also showed women to be slightly more interested than men in obituaries.

Proprietary 1981 survey results on file at the "Mining Company" of the ANPA News Research Center, Syracuse University, show that 51 percent of daily newspaper readers in the Northeast "regularly" read obituaries. In the Southwest, the figure was 55 percent.

Obituaries usually are anchored in a certain part of the paper, where readers can turn to them habitually and easily.

As with most other features whose placement subscribers are accustomed to, readers like their obits to stay where they are from day to day. Carroll F. Robbins, managing editor of The Daily News in Springfield, Mass., says that a few years ago his newspaper moved the obits from page two to a position in the back of the paper. "The phone didn't stop ringing for two days. They (readers) were very sensitive," he says.

Information sources. Newsrooms differ on how they handle obits with respect to the source of information. The Washington Post, on one end of the spectrum, gets all its information from the deceased's family members, says Post obituary writer Richard Pearson. The newspaper is able to verify spellings and learn anecdotal information that probably would be unavailable from an undertaker.

Many others are like the Northwest-Signal. "We usually run what the funeral home gives us," explains Editor Brubaker.

Newspapers also seem to follow old practices when it comes to deciding who will handle the obit job. The New York Times assigns reporters to research and write obituaries of the people it deems worthy of coverage. One of them, Albin Krebs, describes his pieces as more like "biographies" than just lists of information.

At some publications, the job is spread throughout the newsroom. Usually, that means it goes to whomever happens to pick up the phone when the funeral home calls.

"The staff doesn't like them much, but they accept them with a certain amount of reservation," says Gordon of The Southeast Missourian. Nearly all his newspaper's obits are taken over the phone.

He adds that mistakes are "a low-grade problem," and he must continually "resell the importance" of not relying on phonetic spellings and other shortcuts.

Some newspapers assign obituaries to non-news personnel. Chief obit staffer for the Las Vegas (Nev.) Review-Journal, for example, is Paulee R. Corwin, secretary to Editor Thomas Keevil. She says she usually handles 12-18 obituaries per day.

Most all newspapers will enhance obituaries of prominent people with information from their own files. Of course, some of the biggest newspapers have obituaries of such people written in advance and stored in a computer even when there is no reason to believe death is imminent. Krebs said the Times has "several hundred" staff-written obits on file.

If newspapers do not have pieces already written, they may have biographical sketches on file. For example, the Journal-American in Bellevue recently sent a biographical questionnaire to a couple of hundred people. Editor Wetzel says the paper will use the information for news stories and obituaries.

But whether they are of celebrities or of ordinary folks, obits are recognized by editors as effective tools in the competitive media war. And there is no dearth of ammunition. In the past several years, the annual death rate in the United States has topped 1.9 million people, according to the U.S. Census Bureau.

But obits must be handled well because of the ill will that easily can be generated among family members devastated by erroneous information published following the death of a loved one.

"You're dealing with a family who's probably never going to deal with this paper again. And they probably haven't dealt with the paper before," says the Post's Pearson. "How you handle this will probably stay with them the rest of their lives." □

IRE offers computer search service

Investigative Reporters and Editors Inc. has started a computer data base search service for IRE members in which reporters and editors may request searches on virtually any topic through a field of about 1,300 commercial data bases.

Basic fee for the service is $47. Requested information will be sent to the member within 10 days. For a $10 surcharge, the turnaround time is reduced to 24 hours.

The search service was organized by John Ullmann, former IRE executive director who is serving the organization as a paid consultant until Dec. 20. Ullmann in January will become assistant managing editor of projects for the Minneapolis Star and Tribune.

The service was launched with a $2,500 start-up grant from Indianapolis Newspapers Inc.

IRE has established a special telephone number for the data base search service. It is (314) 882-3364. □

63 newspapers featured in new 'Best of Design' book

"Fourth Edition: The Best of Newspaper Design, 1982-83" has been published by the Society of Newspaper Design.

The 123-page book presents the 350 winners of the society's annual creative competition, which this year attracted more than 3,900 entries. The work of 63 newspapers from the United States, Canada, Norway and Puerto Rico is included.

Some of the examples were taken from The Boston Globe, Chicago Tribune, The Dallas Morning News, Los Angeles Times, San Jose (Calif.) Mercury-News, Minneapolis Star and Tribune, The Village Voice, USA Today and The Washington Times.

Copies are available for $20 from "Fourth Edition," the Society of Newspaper Design, The Newspaper Center, Box 17290, Dulles International Airport, Washington, D.C. 20041. □

'Pirates' ride the high seas of cable technology

By Margaret Genovese
presstime staff writer

"Stealing cable television services is not a game . . it's a crime!"

With tough-talking newspaper ads like that one placed by an association of seven cable-system operators on Long Island, N.Y., the cable industry is attempting to curb what it sees as a growing problem.

The National Cable Television Association estimates that so-called cable "piracy" cheats cable system operators of about 5 percent of gross revenues a year, or about $300 million to $400 million.

Cable pirates may be non-subscribers who illegally tap onto the cable line. Or they may be subscribers who, while paying for some services, purloin others.

(There is yet another way to get cable programming free—via backyard or rooftop satellite receiving dishes—but this growing practice has not been as clearly defined legally.)

What kind of people are these perpetrators? "Just look into the mirror," says J. James McElveen, NCTA's director of public affairs. "In other words, it could be any of us."

Cable piracy has existed almost from the day the first coaxial cable was strung along America's residential streets. But declaring war on these electronic Bluebeards has only recently become a high priority of the cable industry.

Donald H. Mitzner, chairman of the Theft of Service Committee of the New York State Cable Television Association, explains that, heretofore, numbers were relatively small and operators were too busy hooking up legitimate customers to deal with crooks.

Now, he says, the problem is "increasing and to some degree limiting the growth of the cable industry." Mitzner, president of Group W Cable-Manhattan, says cable's rapid growth rate is going to level off, and "the 5 to 10 percent of the business we are losing is an important factor."

Although Congress has shown some legislative interest in the area, no federal law specifically addresses cable piracy.

Twenty-eight states have such laws, according to NCTA, and all states have so-called "theft of service" laws that deal with theft of everything from cable TV signals to hotel towels.

On the local level, many municipalities have put language in their cable franchise ordinances declaring it illegal to receive unauthorized cable service.

System operators are understandably reluctant to be too specific on the techniques used by pirates because, as one pointed out, "you don't have to be a technical genius to steal cable." However, it is known that among the forms of piracy are:

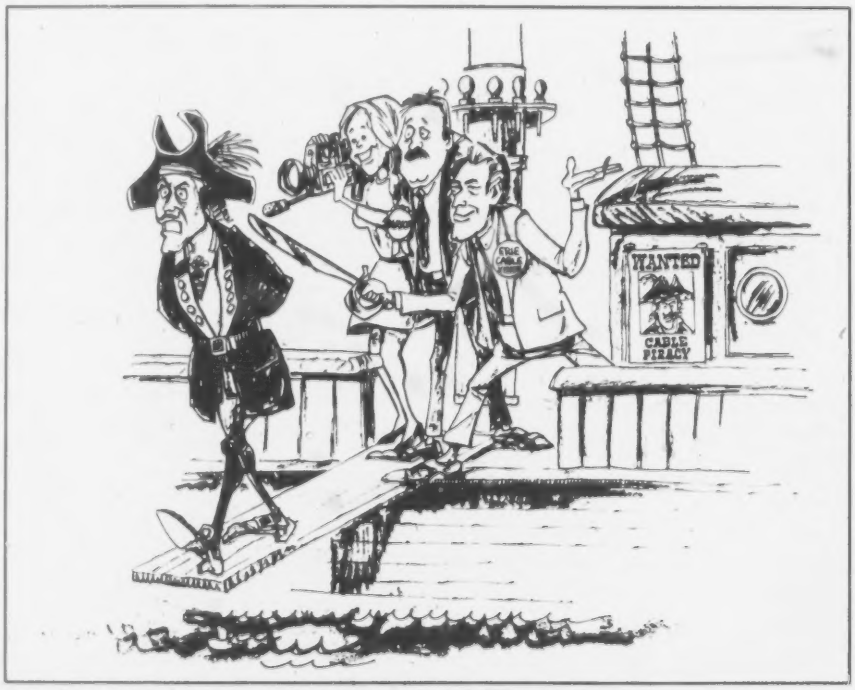
- Illegally running a line—a "hot drop"—into the home from the main cable. To receive service, the non-subscribing pirate attaches a cable converter to the line. A converter is the box-like tuning device that cable system operators provide subscribers, but they also are readily available from electronic stores.
- Illegally getting more service than is being paid for. The subscribing pirate might hook additional television sets to the cable, or use unauthorized devices to receive pay services such as Home Box Office or other movie channels.

Cable systems operators use several means of securing their pay signals. One method is to put a "trap" on the cable line that prevents pay service from entering a home where the service is not being paid for. The problem is, cable pirates have been known to remove those traps.

Another method is to scramble signals so that a special device must be used to make the picture come clear. Again, the system is flawed in that not only cable systems but also retail electronics shops have these "descramblers." Selling them over the counter is illegal only in about a dozen states.

Increasingly, cable systems are offering more than one premium service, in which case the converters used must have the capability of descrambling more than one signal. But an unscrupulous subscriber can play pirate by ordering one service, opening the converter box and, in most cases, merely clipping or soldering a wire or two.

Some system operators are trying to



American Television and Communications Corp.

One of the cable systems crusading against piracy is located in Erie, Pa.

overcome the problem by making it harder to tamper with their equipment. Others are turning to so-called addressible converters in which pay-cable signals are sent only to subscribing households.

Another technological wonder, the electronic "sweep analyzer," is being used to track down signal piracy without having to enter the home.

Fighting back. Cable systems are not the only losers when pirates make off with cable programming booty.

Municipalities lose funds because franchise fees are calculated as a percentage of the system operators' revenues. Paying customers lose because they in effect subsidize non-paying ones. Programmers lose money they could use to develop more and better cable programs. Manufacturers and suppliers of legitimate cable equipment lose business. Finally, the quality of reception also can be adversely affected by pirates tapping into the line.

With losses mounting, cable companies have begun responding in various ways.

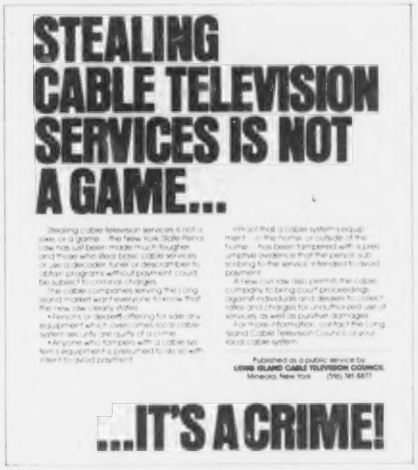
Cox Cable San Diego, the country's biggest cable system with 228,000 subscribers, acted after receiving estimates it was losing $12 million to $13 million a year to about 65,000 pirates.

One of the first steps it took was to tighten internal security. "We were to blame for most of it (theft problem) ourselves," says Charles R. Peters, the system's director of security.

According to Peters, the company often failed to disconnect lines when subscribers terminated service. It also did not adequately protect equipment from theft by employees and others. Some people were successfully prosecuted for equipment theft, and they were ordered to make restitution.

But tightening security is only part of the answer. The public at large must be convinced that the unauthorized reception of cable signals is indeed a crime, according to cable officials in San Diego and elsewhere.

"People don't take seriously the fact that stealing cable is a crime," notes Spencer B. Hays, deputy general counsel for Warner Amex Cable Communications Co. "Most people wouldn't shoplift or steal candy from a store, but they somehow put hooking up to cable illegally into a different category in their mind."



This ad ran in Long Island newspapers.

This is where newspaper ads like the one published on Long Island come in.

Cox has been one of the most aggressive advertisers. In September, Cox Cable Cranston/Johnston Inc. launched what one official called a "full blown media campaign" in Cranston, R.I. In addition to newspaper ads, the campaign featured direct mail, television spots on cable and a recorded telephone message.

Initially, the ads explained Rhode Island's new law against cable theft and the potential penalties for violating it—a $3,000 fine and three years in jail.

As the media campaign continued, the ads described "sweep analyzer" technology being used to catch cable crooks.

Finally, the ads announced a month-long "converter exchange" program. Often labeled an "amnesty" program, such undertakings have become common in many anti-theft efforts.

Under most of them, for a specified period of time, people pirating service are allowed to turn in their unauthorized cable equipment and sign up for service—no questions asked.

The amnesty program in Cranston is somewhat different in that all cable subscribers are being asked to bring their converters in, "both pirates and non-pirates," says Peter V. Dierauf, theft-of-service project coordinator for the company. He explained the rationale:

- It provides "additional reassurances to the pirates who come in that they will not be identified or singled out" for prosecution.
- It allows the cable company to affix special seals to the converter boxes. In order to open the converter box, the seals must be broken, thereby providing evidence of tampering.
- It provides the system operator with a "marketing opportunity"—the chance to give a sales pitch for upgrading service.

To induce non-pirates to participate, the system is waiving its normal $10 charge to upgrade service and is running a sweepstakes, offering prizes including a color TV set and free cable service for a year.

In Cranston, where most of the piracy has involved subscribers' tampering with converters and descramblers to steal pay services, 350 converters were turned in during the first three days of the campaign. But it has a long way to go. Dierauf estimates that out of 17,800 subscribers, 35 to 50 percent are pirating some service.

Asked to reconcile that high rate with the estimated, industry-wide figure of 5 percent of gross revenues, Dierauf theorizes that his system's premium offerings, such as movies, are more extensive than most and thus more tempting for potential pirates.

"Our attitude has been that we believe our customers here are basically honest people. We think that temptation was put in their way and they succumbed," he says. "We are hoping that just letting people know they are breaking the law, that penalties are severe and that they can be detected, will be sufficient to convince the vast majority of people to stop pirating cable services."

"However," he adds, "we recognize that there are people for whom this is a sport and who won't be convinced until we take legal action against them."

After the amnesty program ends, Dierauf says a door-to-door inspection of subscribers' cable equipment will begin. Like the telephone company, the cable company says it has the right of access to its equipment, but the customer must grant permission for such an inspection. A customer who refuses to allow an inspector inside his or her home could face suspension of service, Dierauf says.

Some cable system operators have begun taking the final step—making good on promises to prosecute.

In San Diego, where Cox Cable's amnesty program resulted in the surrender of

about 14,000 converters and the voluntary resolution of another 4,000 theft-of-service situations, the local district attorney, acting on information from Cox, served 45 search warrants in April and selected 18 cases for prosecution. According to Cox's Peters, all of the defendants initially pleaded not guilty. Subsequently, he says, 10 changed their pleas to guilty. The remaining cases are set for trial.

If a state does not have a specific cable-theft law, cable system operators are lobbying to get one because general theft-of-service statutes are not always effective against cable crime. According to NCTA, nine of the 28 existing cable-theft statutes were enacted in the last two years.

The New York law, which took effect Sept. 1, is one of the most comprehensive. For the first time, it is now a crime there to manufacture and distribute equipment such as descramblers. According to one New York cable operator, the piracy problem was recognized as serious when companies selling descrambling equipment began advertising their wares in newspapers.

The New York law also contains a provision stating that the mere discovery of an unauthorized cable converter in a home is enough to prove intent to steal. Previously, intent was a difficult thing for cable operators to prove.

In addition, the law allows cable companies to bring civil suits against persons they find tampering with their systems. This provision is important, operators say, because otherwise criminal cases must be brought by local prosecutors who often are too busy to bust cable pirates.

According to NCTA, two existing federal laws could cover theft of cable service. One is a statute dealing with "wire" communication; the other is a section of the Communications Act that bans the interception of broadcast signals not intended for public reception.

But the federal arm of the law could become much stronger if national cable regulatory bills pending before Congress are enacted. Both S 66, passed by the U.S. Senate in June, and HR 4103, introduced Oct. 6 by Rep. Timothy E. Wirth (D-Colo.), would prohibit reception of cable service except where authorized by a cable system operator. S 66 would put enforcement under the existing federal "wire" communication statute that contains criminal penalties and a right of civil action. HR 4103 would provide specific civil and criminal remedies including up to $50,000 in fines and two years in jail.

Newspapers have a role to play in the cable crime-fighting effort, says Stephen R. Effros, executive director of another industry organization, the Community Antenna Television Association.

"First you need the law," he says. "Then you need some good help from the press to make it clear that just like stealing a newspaper out of the box on the corner, it is illegal to steal cable programming." □

Telecommunications notes

Proclaiming "the waiting is over," Knight-Ridder Newspapers Inc. was scheduled Oct. 30 to **launch Viewtron** videotex service in three Florida counties.

Targeted at a general consumer market, Viewtron offers a wide variety of news and information in text and graphics form from approximately 50 information providers. Subscribers in Broward, Dade and Palm Beach counties can use the service to bank at home, to order merchandise and to send and receive electronic mail. An earlier mid-September date for beginning of commercial service had been postponed [presstime, Sept. 1983, p. 21].

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Cowles Publishing Co. Oct. 1 began commercial operation of **The Spokesman-Review/Spokane Chronicle Electronic Editions.** The videotex service features local news and classified advertising from the Spokane dailies, farm reports from five Cowles-owned Northwest farm publications, and news and information from the Associated Press and colleges and universities [presstime, July 1983, p. 18].

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Times Mirror Videotex Services Inc. has signed an agreement with a partnership of four banks to enable smaller regional and local banks to offer their customers home banking over Times Mirror's **Gateway Videotex Services**. Gateway is expected to begin commercial service in mid-1984.

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Turner Broadcasting System, producer of Cable News Network and CNN Headline News, Oct. 12 announced it would acquire a rival all-news-all-the-time cable TV network, **Satellite News Channels**, and shut it down by the end of October.

The deal called for Turner to pay SNC owners—ABC Video Enterprises and Westinghouse Broadcasting and Cable—$12.5 million each for Turner to offer its news services to cable systems with SNC contracts and for lawsuits filed by the competing networks against each other to be dropped. A Turner spokesman said the U.S. Justice Department was reviewing the agreement.

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Congressional Quarterly Inc. is planning to market an **electronic data base of congressional information.** CQ is a wholly owned subsidiary of the Times Publishing Co. of St. Petersburg, Fla., publisher of the St. Petersburg Times and Evening Independent.

The service, to be called Washington Alert, will contain information on the status of legislation; stories from the CQ Weekly Report, Congressional Quarterly's weekly magazine; profiles of members of Congress from its book *Politics in America*; information on committee hearings and witnesses from its Congressional Monitor publications; a daily summary of major congressional actions; and an index to speeches and floor statements by members of Congress updated daily.

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MCI Communications Corp. has launched an **electronic mail service** in which 7,500 characters of type—about five pages—can be sent terminal-to-terminal anywhere in the United States for $1.

The company also offers a service in which a letter can be sent by computer, printed by MCI and delivered via the U.S. Postal Service for $2; a similar, overnight hard-copy letter delivery service for $6; and, in some locations, hard-copy letter delivery within four hours for $25.

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Time Inc. folded its television programming guide **TV-Cable Week** after the Sept. 25 edition because of circulation problems. □

ANPA, wire services oppose plan to shift 'birds'

By C. David Rambo
presstime staff writer

The Associated Press, United Press International and ANPA separately have asked the Federal Communications Commission to reconsider a plan under which some 1,600 newspaper satellite earth stations would have to be repositioned and electronically readjusted.

ANPA said the plan "presents unacceptable risks" to the dissemination of news. In an effort to better analyze the problem, the ANPA Telecommunications Committee established a special task force to study this so-called "two-degree spacing" issue.

The threat of having to re-aim the dishes comes as a result of FCC planning to accommodate the growing demand for satellite orbital slots [presstime, Sept. 1983, p. 20].

Among other things, the FCC plans to order that Western Union's Westar III satellite be moved from its current position of 91 degrees west longitude to 86 degrees west longitude. Westar III carries all of the AP's satellite transmissions and much of UPI's.

The FCC has not developed contingency plans to give the wire services and newspapers access to another satellite during any transition period.

The press groups said the shift of the satellite 22,000 miles in space threatens to disrupt delivery of wire service material. They asked that Westar III be left in place and that another satellite the FCC intends to put into the 91-degree spot, Spacenet III, be launched into the now-empty, 101-degree slot.

The proposed move of Westar III "would require AP's and UPI's satellite antennas to be reoriented at a substantial cost," ANPA said in its petition. The cost ultimately would be borne by newspapers and other wire-service users, the Association pointed out.

"Repositioning and relocating earth stations will necessarily involve disruptions to the receipt of essential news reports," ANPA said. "Service could be shut down for a lengthy period if adequate transition service is not available. The possibility of even a short blackout of news service in the midst of an emergency or national crisis cannot be tolerated."

AP and UPI officials said that in addition to the impracticality of repositioning their earth stations, some sites on the West Coast and in Alaska are physically blocked from receiving radio signals from a satellite at 86 degree west longitude.

Another part of the FCC proposal is to put satellites closer together in space. Satellites now are positioned four degrees apart, and the commission plans to narrow that gap to two degrees. One question the task force will address is whether closer proximity will cause satellites to cast troublesome interference for the messages of neighboring satellites.

The AP and UPI receiving dishes that "look" at Westar III are about 10 feet in diameter. AP said it has about 900 of them installed; UPI said it has about 700.

However, UPI attorney Harry Martin said the wire service also has installed about 1,000 two-foot dishes that receive signals from a different satellite, Westar IV, that will not be moved under the FCC plan. Those smaller and less-expensive antennas have been put into use by UPI's new owner, Media News Corp., in an attempt to reduce the company's telecommunications costs.

Receivers like this one at The Record, Hackensack, N.J., would have to be re-aimed.

The fact that AP and UPI now are using different satellites was a concern to some members of the ANPA Telecommunications Committee, which met Oct. 4-6 in Washington, D.C. They said such a "split" in the "birds" could cause an inconvenience to newspapers that may want to receive all satellite materials—whether from AP, UPI or the supplemental wires now delivered primarily via AP—on one dish.

There now are fewer than a dozen newspapers receiving both major wires on one dish, spokesmen for AP and UPI said.

Another Telecommunications Committee task force will examine this "split."

The matter was addressed less than four years years ago by the Joint Satellite Task Force of ANPA, AP and UPI. It recommended, among other things, that "the Task Force parties and the newspaper business as a whole should accept with appreciation the decision of AP and UPI to structure their individual satellite-communications services in a manner which will utilize the same satellite(s), same downlink system(s) and same 'single-dish' receivers" [presstime, April 1980, p. 21].

At that time, AP and UPI said that each other's dishes might be used by a newspaper to receive the other service's news material. But a dispute over use of AP's dish for UPI's local loops—the land-line hookups from an antenna to nearby media outlets—caused cooperation to dissolve [presstime, Feb. 1981, p. 21].

Spokesman William K. Adler said UPI's small dishes can handle most data the larger dish receives, excluding audio signals. He added that the small dishes require less elaborate installation than their larger cousins. Some have been mounted on the sides of buildings; some even have been set on a desk near a window with satisfactory results.

Richard G. Atkins, AP director of communications, said AP also is considering use of small dishes. "AP is investigating and conducting tests for small-dish technology which is not limited to technology in use commercially," he said. □

Phone rate hikes, 'bypass' bills, may cost newspapers dearly

Although details remained sketchy in late October, the newspaper business was bracing for possibly severe telephone-rate increases under a $20-billion rate hike request AT&T filed with the Federal Communications Commission Sept. 30.

The rate request and the FCC's proposed access charge drew particular concern from the ANPA Telecommunications Committee at its Oct. 4-6 meeting in Washington.

Sometime after AT&T's divestiture Jan. 1, the access charge would be implemented. (The commission's current schedule calls for implementation on April 3.)

The access charge will be paid by long-distance phone companies to local phone companies to compensate them for the loss of long-distance revenue subsidies they have been receiving from AT&T. Purpose of the access charge is to help keep down local phone rates.

Related concerns of the committee stemmed from pending federal legislation that address the need for preventing massive hikes in local phone rates in a different way. The bills, among other things, would impose a tax on use of systems bypassing local phone lines.

The "bypass" charges could be imposed on newspapers that use microwave systems for transmitting data to remote printing plants instead of the local phone lines, said Kathleen Criner, ANPA's director of telecommunications affairs.

Also at the meeting:

• Riley Temple, director of communications policy of the AT&T Central Services Organization, the post-divestiture association of local operating companies, said 5 percent of all phone customers produce 50 percent of phone company revenues. Those users may have incentive to switch to cheaper bypass technologies. If they did, the local phone companies could be severely hurt.

Riley Temple

• Mary Jo Manning, former communications counsel of the Senate Commerce Committee, said the newspaper business cannot "relax" on the AT&T divestiture issue. "As the assets and the debts are spread around, I think it's something you'll want to keep an eye on," she said.

Manning also said it is possible that AT&T will seek changes in the decree. "I can well envision AT&T coming back in a couple of years" to say that some points in the decree are "no longer relevant," she explained.

One such point could be the prohibition on AT&T's engaging in electronic publishing over its own lines until 1989.

• Reid Ashe, publisher and editor of The Jackson (Tenn.) Sun, who represents the American Society of Newspaper Editors at the Telecommunications Committee meetings, said ASNE temporarily has disbanded its committee that oversaw telecommunications activities. The group will be formed again if and when "the situation warrants," Ashe reported.

• Uzal H. Martz Jr., president and publisher of the Pottsville (Pa.) Republican and chairman of the Monitoring Subcommittee, said his group is working on a report on the status of cable television, videotex, low-power television, personal computers, the telephone industry generally and other new technologies.

The reports will outline "the bare minimum resources (needed) for somebody interested in getting into these areas." A first draft should be prepared by the first of the year, Martz said.

• Barry S. Kresch, marketing executive of Nielsen HomeVideo Index, part of the A.C. Nielsen ratings company, said cable viewing research remains in "an evaluating period." Some existing viewing measurement techniques "have been successfully adapted to cable measurement." For example, the meter system—in which a metering device is attached to the television receiver—is being constantly modified for the high sensitivity required for cable, he said.

Nielsen is in the process of metering its first local cable system, one owned by CBS in Texas, Kresch said. □

Boise Southern mill continues to run despite UPIU strike

A strike continues by United Paperworkers International Union workers at Boise Southern Co.'s DeRidder, La., newsprint mill.

All three paper machines at the mill are being operated by non-union personnel. No further meetings between the two sides were scheduled as of late October. The strike began Sept. 4.

In two other situations involving the UPIU:

• Union members voted down a company offer Oct. 6 at Kimberly-Clark Corp.'s Coosa Pines, Ala., mill. Meetings were in progress in late October.

• Negotiating agendas were exchanged Oct. 3 between the UPIU and Bowater Co.'s Catawba, S.C., mill, where the contract expired Oct. 29. Actual negotiations started Oct. 17.

In Canada, meanwhile, the Canadian Paperworkers Union, the Pulp and Paper Workers of Canada and forest products companies named a mediator to help settle the deadlock between the unions and four British Columbia mills. All parties agreed that no written report will be produced and that the mediator will make no formal recommendtions.

More than 90 percent of the unions' members rejected the industry's preliminary offer, which called for no wage increase in the first year, 3 percent in the second and 3.5 percent in the third [presstime, Oct. 1983, p. 44]. □

Pulp project studied in lieu of newsprint mill

British Columbia Forest Products Ltd. is studying the feasibility of building a softwood kraft pulp mill instead of a newsprint mill near Whitecourt, Alberta.

A company spokesman said the 170,000 metric tons-per-year newsprint project has not been scrubbed but rather sidestepped while the pulp mill is being studied.

BCFP earlier had asked the Alberta government for a two-year delay in plans to build the $250-million newsprint mill [presstime, March 1983, p. 33]. □

9-month consumption up 3.5 percent from '82

Newsprint consumption by U.S. daily newspapers increased in September over 1982 levels. The increase, the ninth in as many months this year, was 2.3 percent.

Consumption by all U.S. newsprint users increased during the month by 4.1 percent. It marked the seventh straight monthly increase over 1982 levels in this category.

For the first nine months of this year, consumption by U.S. daily newspapers was up 2.9 percent from 1982, and that of all U.S. users was up 3.5 percent.

At the end of September, newsprint inventories of ANPA-member newspapers in the statistical sample totaled 42 days, compared with 48 days at the end of September 1982. North American mill stocks at the end of September were down about 7 percent.

The September operating rate for Canadian mills was 86 percent. At U.S. mills, it was 85.1 percent. For nine months, the rate was 83 percent in Canada and 86.8 percent in the United States.

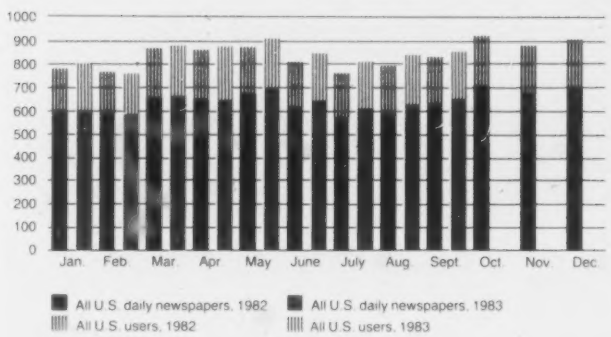
Estimated consumption of all U.S. daily newspapers[1]

Region	August 1983	August 1982	% Change
Northeast	153,967	148,624	+3.6
North Central	140,889	139,419	+1.1
South	202,119	190,448	+6.1
West	141,644	137,228	+3.2
Circulation size			
up to 25,000	51,809	58,440	-11.3
25,001-100,000	116,914	116,465	+0.4
Over 100,000	469,896	440,814	+6.6
August totals	638,619(r)	615,719	+3.7(r)
Eight-month totals	5,148,631(r)	4,996,879	+3.0(r)
Region	**September 1983**	**September 1982**	**% Change**
Northeast	158,434	156,812	+1.0
North Central	145,307	142,913	+1.7
South	207,998	196,577	+5.8
West	142,454	143,452	-0.7
Circulation size			
up to 25,000	51,736	59,698	-13.3
25,001-100,000	117,429	121,219	-3.1
Over 100,000	485,028	458,837	+5.7
September totals	654,193(p)	639,754	+2.3(p)
Nine-month totals	5,802,824(p)	5,636,633	+2.9(p)

Stocks

U.S. publishers[2]	Tonnage	Days' supply on hand	Days' supply in transit
July 1983	825,638	42	6
July 1982	992,364	54	7
August 1983	848,580(r)	41	6
August 1982	952,067	49	6
September 1983	820,388(p)	37(p)	5(p)
September 1982	897,812	42	6
Canadian mills			
September 1983	357,906	--	--
September 1982	402,970	--	--
U.S. mills			
September 1983	119,467	--	--
September 1982	109,991	--	--

Estimated newsprint consumption, 1982-83
(thousands of metric tons)



Estimated consumption of all U.S. users

	1983	1982	% Change
July totals	816,000(r)	769,000	+6.1(r)
August totals	846,000(r)	806,000	+5.0(r)
September totals	870,000(p)	836,000	+4.1(p)
Nine-month totals	7,644,000(p)	7,386,000	+3.5(p)

Production

	Canada	U.S.A.	North America
September 1983	707,240	376,049	1,083,289
September 1982	557,349	352,798	910,147
Increase	+149,891	+23,251	+173,142
	+26.9%	+6.6%	+19.0%
Nine months 1983	6,296,297	3,491,620	9,787,917
Nine months 1982	6,163,156	3,465,015	9,628,171
Increase	+133,141	+26,605	+159,746
	+2.2%	+0.8%	+1.7%

Shipments

From Canadian mills	U.S.A.	Canada	Export	Total
September 1983	507,748	84,956	144,477	737,181
September 1982	415,836	62,540	122,381	600,757
Nine months 1983	4,377,850	709,268	1,101,068	6,188,186
Nine months 1982	4,114,371	700,921	1,138,780	5,954,072
Increase or decrease	+263,479	+8,347	-37,712	+234,114
	+6.4%	+1.2%	-3.3%	+3.9%
From U.S. mills				
September 1983	350,579	----	23,775	374,354
September 1982	335,676	----	17,284	352,960
Nine months 1983	3,255,881	----	202,681	3,458,562
Nine months 1982	3,176,507	----	216,160	3,392,667
Increase or decrease	+79,374	----	-13,479	+65,895
	+2.5%	----	-6.2%	+1.9%
From North American mills				
September 1983	858,327	84,956	168,252	1,111,535
September 1982	751,512	62,540	139,665	953,717
Nine months 1983	7,633,731	709,268	1,303,749	9,646,748
Nine months 1982	7,290,878	700,921	1,354,940	9,346,739
Increase or decrease	+342,853	+8,347	-51,191	+300,009
	+4.7%	+1.2%	-3.8%	+3.2%

[1]Based on stratified data from ANPA-member newspapers in statistical sample; figures in this and other tables in metric tons.

[2]Represents stocks of ANPA-member newspapers in statistical sample

(r) = revised

(p) = preliminary

Newspapers address computer security needs

By Paul Kruglinski
presstime technical writer

In the world of high technology, unauthorized entry into computers seems to have become the hot issue. Nary a newspaper or magazine exists that hasn't published at least one recent article on the topic—even Art Buchwald addressed it in one of his columns.

Although the motion picture "WarGames" and computer break-ins may be the media vogue, the computer-dependent newspaper business has been cognizant of computer security for a long time.

Systems Editor Howard F. Angione says The New York Times has "always been careful" about how its systems are used and by whom. At the Los Angeles Times, computer security "has always been a paramount concern," reports Editorial Systems Editor Wilson R. Locke.

These papers and others have developed security precautions and procedures to thwart would-be computer intruders, or "hackers" as they are now popularly called, as well as to protect systems from internal, unauthorized intrusion. Because of the tremendous volume of information generated in newspaper operations, the problems of preventing unauthorized, third-party access to the computer system are complex.

Whether a newspaper has one system or several, whether different systems can communicate with each other, and whether the system is sometimes used by employees located outside the building—all these factors and more have a bearing on how a security system should be designed.

Richard J. Cichelli, president of Software Consulting Services in Bethlehem, Pa., says newspaper systems in general are not very secure compared with systems in some other industries. Cichelli, who once was responsible for the security of a bank's computer, says the kinds of systems that make a computer system virtually invulnerable to penetration could not be cost-justified by a newspaper.

Elizabeth St. J. Loker, vice president/advanced systems for The Washington Post Co., agrees a cost-benefit analysis done at virtually any newspaper would show the impracticality of possessing the multimillion dollar security systems used by large financial institutions, some other corporate giants and certain government agencies.

Thus, the newspaper's more prudent path is "to attack those areas that are the weakest in the system . . . at the lowest cost," Cichelli says.

And effective security precautions need not be costly or elaborate.

For instance, Cichelli says a newspaper can effectively protect its financial records by simply keeping them on a floppy disk. At the end of each working day, the individual responsible for finance could deposit the disk in a vault or some other safe place. Cichelli recommends some form of redundant storage of the data.

In-house problems. Sometimes just being aware there is a security problem can lead to the institution of security measures. In the case of one newspaper, the discovery of an internal security problem led to policies that tightened rules on computer use.

The Wisconsin State Journal in Madison once discovered its computers had been penetrated by some unauthorized person who apparently had entered the newsroom. "Someone was definitely into our terminals," says Editor Robert H. Spiegel, but luckily, no serious damage was done.

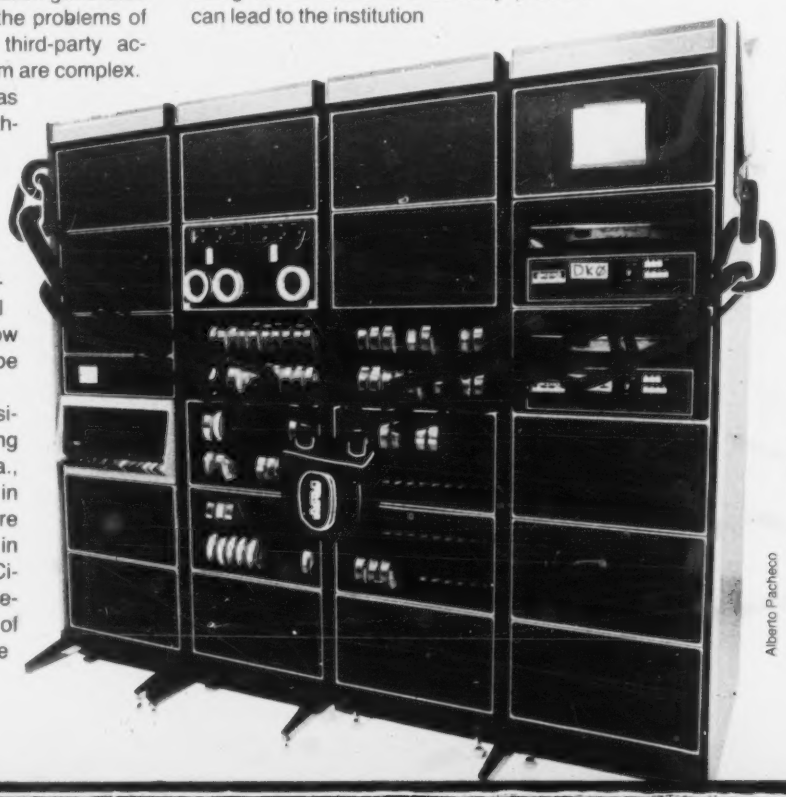
Now, desk editors make sure all the terminals are "signed off" before leaving the office.

To foil in-house malcontents, newspapers also can employ a "stratified," or multilevel, system of computer commands. While names might suffice for reporters to sign onto the system and log into the general-assignment queue, getting into ongoing investigative research material might require a more complex alphanumeric password.

Although many systems experts believe such steps can shore up security, they are quick to point out that the human factor is the essential element in making a security system work.

It is impossible, they say, to have an effective security system using secret passwords that are written down and left in the open. Slipshod use of computers has led such newspapers as The New York Times to establish strong measures to ensure that its employees treat passwords and terminals with utmost care.

David M. Cole, systems editor for the San Francisco Examiner, says another thing the security-conscious newspaper should do is monitor changes in personnel. "Anytime someone leaves the paper," he says, "I (immediately) strip their password out of the system."



Alberto Pacheco

Investigative reporting explained in new guide

Techniques of investigative reporting are examined in detail in *The Reporter's Handbook, An Investigator's Guide to Documents and Techniques*, a 504-page book produced by Investigative Reporters and Editors Inc.

The book is divided into 16 chapters, each of which consists of articles written by prominent investigative journalists. Topics include the Freedom of Information Act, government and other types of documents, and information on individuals, land ownership, business, labor, police, courts, health care and education.

The handbook was edited by former IRE Executive Director John Ullmann and Steve Honeyman, a professional researcher.

Cost of the book is $17.95 ($14.36 for IRE members) for the hard-cover edition and $12.95 ($11.36 for members) soft-cover, plus shipping and handling costs. To order, contact IRE at P.O. Box 838, Columbia, Mo. 65205; (314) 882-2042; or contact St. Martin's Press, Customer Service, 175 Fifth Ave., New York, N.Y. 10010; (212) 674-5151.

Different definitions listed by Freedom House

Glossary for International Communications by Leonard R. Sussman defines key words and terms used at UNESCO and other international communications forums.

Sussman, executive director of Freedom House and member of the U.S. National Commission for UNESCO, defines the same words as they are used in four different locales: First World (democratic) nations, Second World (Marxist) nations, Third World (developing) nations and UNESCO.

Some of the terms defined are culture, democracy, free flow of information, freedom of the press, human rights, journalistic code, licensing of journalists, and new world information order.

The 112-page book is available from Freedom House, 20 West 40 St., New York, N.Y. 10018. Cost is $10 for single copies up to nine, $7.50 each for 10-99 copies, and $6 for 110-250 copies.

Rush named counsel for government affairs

Tonda F. Rush, former director of the Freedom of Information Service Center, the joint project of the Reporters Committee for Freedom of the Press and the Society of Professional Journalists, Sigma Delta Chi, has joined ANPA as government affairs counsel.

Tonda F. Rush

Rush earned a bachelor's degree in journalism in 1973 from the University of Kansas and a law degree from the same university in 1979.

She formerly was a staff attorney for the Reporters Committee and a correspondent for the Kansas City (Mo.) Star and Times and for The Lawrence (Kan.) Daily Journal-World.

Telecommunications staff adds King as analyst

John L. King, former telecommunications specialist at the National Telecommunications and Information Administration, has been named ANPA telecommunications development analyst.

John L. King

King holds a master's degree in economics from Howard University, Washington, D.C., and two bachelor's degrees—one is industrial relations and economics from the University of North Carolina and the other in landscape architecture from North Carolina State University.
lina State University.

Before joining NTIA, King worked with another Commerce Department agency, the Economic Development Administration; in the office of the North Carolina commissioner of labor; and for the federal Comprehensive Employment and Training Act program in North Carolina.

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A. Total No. Copies (Net Press Run)	9,516	9,700
B. Paid Circulation		
1. Sales through dealers and carriers, street vendors and counter sales	0	0
2. Mail subscription	7,207	7,253
C. Total paid circulation	7,207	7,253
D. Free distribution by mail, carrier or other means. Samples, complimentary and other free copies	1,962	2,185
E. Total distribution	9,169	9,438
F. Copies not distributed		
1. Office use, left over, unaccounted, spoiled after printing	347	262
2. Return from news agents	0	0
G. Total	9,516	9,700

I certify that the statements made by me above are correct and complete. James E. Donahue, Editor

Two join presstime staff

Neil D. Swan has joined presstime as assistant managing editor.

Swan received a B.A. in journalism from the University of Florida. He worked three years at The Miami Herald as reporter and assistant state editor before moving to The Atlanta Journal where, in 12 years, he progressed from reporter to associate city editor. Most recently he was with the American Council of Life Insurance in Washington, D.C.

The magazine also has a new writer, Marcia Fram, who previously worked for The Reston (Va.) Times and The Washington Star. She replaces Elise Burroughs, now publications director of the American Society of Newspaper Editors.

A special security situation exists for pairs of newspapers, like the Examiner and the San Francisco Chronicle, that have joint operating agreements providing for separate editorial staffs but consolidation of other newspaper functions.

For example, The Seattle Times and Seattle Post-Intelligencer both use Atex Inc. front-end systems, with separate central computers. They share composing-room equipment.

This situation led Robert Roach, technology manager at the P-I, to alter the software in such a way that anyone attempting to retrieve copy from an unauthorized Atex terminal will get an unintelligible binary code on the screen.

Outside vulnerability. Although the internal security of computer systems is obviously important, the threat of unauthorized entry from a remote location is receiving the bulk of media attention.

Many newspapers use portable and remote terminals in their bureaus and at sports events. Some of these terminals have the ability to communicate with the newspaper's mainframe computer, and therein lies the problem: The same technology is also available to people not affiliated with the newspaper.

Anyone with a computer and modem—the device that allows computers to communicate over telephone lines—has the capability of communicating with other computers. If that person can get the right telephone number and password, he or she may find a way to log onto a newspaper's system. What the individual could do at that point depends on how the newspaper's system is set up.

"The design of the system is what protects you," says Angione of The New York Times, declining to be more specific because of the highly sensitive nature of the subject. Similarly, he and other computer-security specialists also refuse to talk about the extent to which outside penetration may be or may have been a problem at newspapers.

Cichelli of Software Consulting Services sees two simple ways to limit what a hacker could do if one were to gain access to the system.

First, the newspaper could make the system "receive-oriented"—that is, it could only accept files sent to a specific queue. Second, the system could be made "application-specific"—that is, data sent into the system would be tightly controlled.

The Wisconsin State Journal uses the latter approach: Any data sent to the computer is filed in a special editors' queue. An editor must see all material before it is sent on its way to become printed copy.

For those newspapers that depend on two-way communications with reporters in the field, some insight might be gained from the way The New York Times deals with the problem.

Times field reporters must call into the newsroom before they can transmit a story to the mainframe computer, and they must use a designated, secure telephone number.

"You can file inbound to the Times," says Angione. "You can receive, but only with assistance from someone in the newsroom. (And) we jealously guard those telephones."

Roach of the Seattle P-I checks queue in his Atex computer.

At The Washington Post, software has been introduced into the editorial system that "limits what can be done" with the system from outsiders' portable terminals, Loker says.

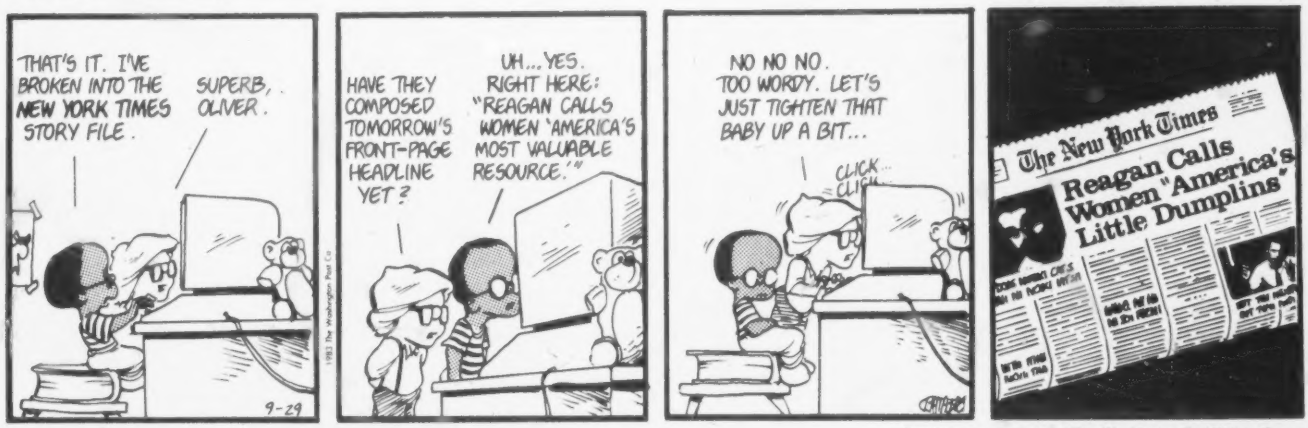
Another means of short-circuiting hackers is to install a system that can detect unsuccessful attempts to gain access to the system.

This approach is already in use at the Los Angeles Times. After two failed attempts to get into the system, the staff is automatically notified that someone is trying to break the code, according to Editorial Systems Editor Locke.

He and his counterparts at a number of other newspapers feel the proliferation of portable terminals that can interact with data bases via telephone lines presents the most complex security problems for newspapers.

Just one result of such a security breach is the actual charge assessed for using a data base. Because the data bases are designed to be "user friendly," in most cases someone need only gain access to

Bloom County — **By Berke Breathed**


THAT'S IT. I'VE BROKEN INTO THE NEW YORK TIMES STORY FILE.
SUPERB, OLIVER.
9-29
HAVE THEY COMPOSED TOMORROW'S FRONT-PAGE HEADLINE YET?
UH... YES. RIGHT HERE: "REAGAN CALLS WOMEN 'AMERICA'S MOST VALUABLE RESOURCE.'"
NO NO NO. TOO WORDY. LET'S JUST TIGHTEN THAT BABY UP A BIT...
CLICK... CLICK...
The New York Times
Reagan Calls Women "America's Little Dumplins"

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the data base's telephone number, the newspaper's account number and a simple password. The cost of such unauthorized use of the data base, which would go on a newspaper's account, can exceed $90 per hour.

"It's basically the same risk as using a telephone credit card," says the Examiner's Cole.

Until recently, users of the Nexus data base had to use Nexus terminals, which "echo" back to verify authorization. But now the trend is toward interchangeable and compatible hardware to gain access to that popular data base.

Some systems editors believe there is little that can be done to prevent an outsider from using a data base and having the use charged to a newspaper. However, the problem can be limited through good accounting and management—or keeping track of bills and changing account numbers and passwords frequently, says Loker of The Washington Post.

Future security. Loker feels that, because of their efficiency and flexibility, the use of portable terminals will increase at newspapers, possibly spreading to the advertising and business departments. There are obvious advantages of making marketing information available electronically to sales people in the field, she notes.

But there is some risk involved, the same type currently faced by newsroom staffers—penetration by outsiders. "The security problem has to be solved," Loker says.

She feels programmers will rise to the challenge. "There's a lot of things one can do with software," she says.

But on the West Coast, Cole expresses serious doubts that two-way communications will be used in newspaper classified departments, despite advantages to sales people. "The potential for revenue loss once you open up that data base is tremendous," he says.

Cole acknowledges that "stumbling blocks" could be factored into the system to ward off intrusion by unauthorized people. But these impediments also would make it more more difficult for authorized personnel to use the system, too.

Nevertheless, technologies are being developed that could reach an effective, if not happy, medium.

SCS's Cichelli says that without too much cost or trouble, portable terminals can be electronically coded so that the mainframe computer can identify them as being authorized. The terminal would give an electronic signal before the user could sign on and log into the system.

Some experts anticipate increased use of "dial-back" devices. Such a system responds to a password called in but then disconnects the caller. The computer matches the password to a telephone number in a directory, then calls that number to enable a reporter in a remote bureau, for example, to sign on. The potential hacker is physically kept out of the system.

John O. Newman, ANPA manager/information services, says some of the more secure systems employ biographical information, collected when the computer account is set up, to verify the user by quizzing him or her.

Locke sees more software security firms coming into existence and more developments in the use of scramblers, encoders, decoders and other cryptographic devices. But he also sees increasing problems developing in such areas as electronic mail and electronic shopping. "The technology is so new people are not really thinking about these things," he says.

And even if they were, there are limits as to what can be done.

"*Absolute* security is unattainable," says data-base guru James Martin, author of *Security, Accuracy, and Privacy in Computer Systems*. "No matter how good the protective measures, there will always be *some* means of damaging the computer or its data." □

Technology notes

LogEtronics Inc., a Springfield, Va., manufacturer of photographic and computer-imaging equipment, has reached an agreement to be **acquired by DBA Systems Inc.** of Melbourne, Fla., for stock valued at $17 million. The merger is subject to approval by shareholders of the two companies.

• • •

Financially troubled **AM International Inc. sold its ECRM division** to the division's president, William R. Givens.

ECRM produces advanced prepress equipment such as the Autokon 8200 laser input scanner and the Autokon 8400 laser graphics system. □

In-house staffers build improvements for front-end system

Engineers came up with developments that improved operations of front-end systems at three Landmark Communications Inc. newspapers.

Duane I. Fetters

Duane I. Fetters, research and development engineer with The Virginian-Pilot and The Ledger-Star of Norfolk, developed the "CRT Saver," a device that automatically turns off the screen display on Atex VDTs when they are not in use.

Fetters said the terminals' screens were illuminated continuously, thereby increasing the risk that some of the information eventually would become etched into the cathode ray tube's phosphorous coating.

At that juncture, he said, "We would have had to start replacing CRTs."

The "CRT Saver" is a self-contained, printed circuit board that is inserted between the keyboard connector and the tube. The board continuously monitors the activity of the keyboard. If it is not used for 10 minutes, the device automatically turns off the CRT display.

Striking any key returns the information to the screen.

Engineers at the Roanoke Times & World-News wrote a program for a Radio Shack Model 100 portable terminal that gives field reporters two-way access to the newspaper's Logicon central processing unit.

The work was that of Program Coordinator John L. Ballou and Production Programmer Lee Wenzler. Their program enables reporters to dial in stories up to 40 inches long and—should an out-of-office business writer need it—to tap into the Dow Jones News/Retrieval data base for information.

Two years ago, the Tech Services staff in Roanoke developed the Newsman II portable terminal [presstime, May 1982, p. 47]. □

Personnel relations

How to turn around excessive turnover

By Virginia Tadie

Workers are hired. Some remain, others leave. New ones come along. The process of personnel change is an important part of the business operation and can contribute to a newspaper's financial success.

But too much turnover is costly for a company in terms of recruitment costs, lost productivity and staff time devoted to interviewing job applicants as well as outgoing employees.

How does a company determine if its turnover rate is excessive? Computation of turnover rate, by department, by category of employee, or by any other grouping, is relatively simple. The U.S. Department of Labor suggests using this basic formula:

$$\frac{\text{total number of separations during the month}}{\text{total number of employees at midmonth}} \times 100$$

But determining whether a given turnover rate is excessive is substantially more complex. One approach is to simply compare the company's (or any subgroup's) rate to national averages for the industry.

The chart on the next page shows the average monthly turnover rate for newspapers compared with all other manufacturers, as compiled by the Labor Department's Bureau of Labor Statistics. A comparison with the average yields useful baseline data for a newspaper.

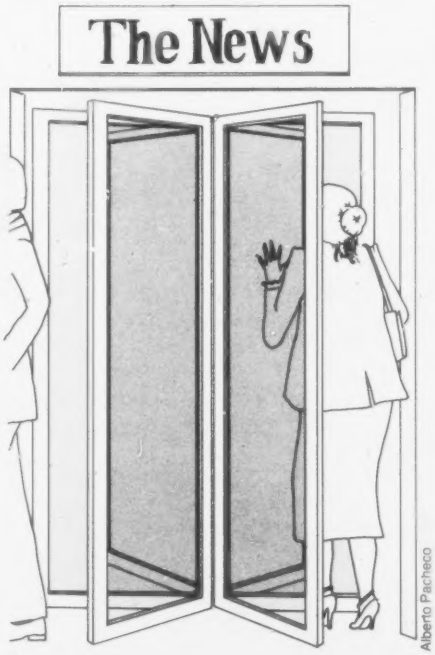
Why employees leave. Turnover is not a new phenomenon, of course, and it should not mystify employers. Tackling the causes of excessive employee turnover requires an understanding of why people leave jobs and seek other employment.

Some employees quit for reasons that are beyond the company's control—a better opportunity elsewhere, for instance. "We lose a lot of bright, young people—especially in circulation and advertising—simply because there is not enough room at the top for all of them," says Robert B. Higdon, vice president of human resources for the Chicago Sun-Times.

Newsrooms also are frequently areas of high turnover. Newspaper personnel specialists say this is especially true at smaller papers that serve as a "proving ground" for young journalists. They say it is prudent for publishers and editors of such papers to plan for this ongoing situation.

Many other employees, however, leave for reasons that can be controlled. The reasons are related to organizational and work-environment situations that can—and often should—be changed. Dissatisfaction with pay or benefits, job content, supervision or promotion policies can result in an employee decision to leave.

Two sides to turnover. Although a high turnover rate may indicate poor personnel practices and inappropriate use of human resources, there are benefits to a certain amount of turnover. If the rate is extremely low, it can indicate a company is static, supporting a lot of "deadwood." It also may reflect situations where employees have been given guaranteed lifetime jobs.



Alberto Pacheco

Normal turnover helps open slots for new people to join the organization, bringing with them fresh ideas and new skills. It also provides opportunities for internal advancement.

Some smaller newspapers, according to one personnel executive, often encourage turnover. In departments where mobility is limited, the only place for workers to go is out. Otherwise they stay around, become dissatisfied and unhappy, as well as less productive, while earning bigger paychecks.

Although partially valid, this philosophy of encouraging turnover contains some serious flaws. Often it is the wrong employees—the ones who are good at their jobs—who leave. And there is an adage that "for every dissatisfied employee who leaves, one remains behind."

In all cases of turnover, a company should seek to contain costs related to it. Current estimates are that it costs up to $10,000 to replace a mid-level employee, although costs of getting a new entry-level employee on board are much less, in some cases as little as $500. The costs may include:

- Advertising for replacement candidates
- Administrative time for record-keeping, processing, etc.
- Staff time spent screening, interviewing, testing and selecting candidates
- Lost productivity. Once an employee makes the decision to leave, productivity declines.
- Moving expenses
- Training
- Physical examinations
- Social Security and unemployment taxes paid on both exiting and entering employees.

Openings for higher-level positions are even more costly to fill, often requiring national advertising, hiring of executive search firms and similar expenses.

Tracking turnover. To locate turnover problems, careful tracking is necessary. Is one department affected more than others? Are professional employees leaving,

Tadie is personnel relations associate in the ANPA Labor and Personnel Relations Department.

or is it primarily support staff? Is one time of year, or one time in the production or administrative cycle (such as salary-review time), worse than others?

Exit interviews with departing workers also may be helpful in identifying turnover problems. However, once employees make the decision to resign, they are often reluctant to explain why; they may prefer to leave on a good note and to avoid "burning bridges" that might bar future employment. Follow-up interviews with former workers several months after separation often provide valuable information ex-workers were unwilling to share at the time they left.

Personnel relations specialists also suggest that employers consider having informal discussions with workers, regularly soliciting views on causes of turnover. Watching for any signs of an employee's approaching decision to leave and then addressing the cause is another positive step toward dealing with the problem.

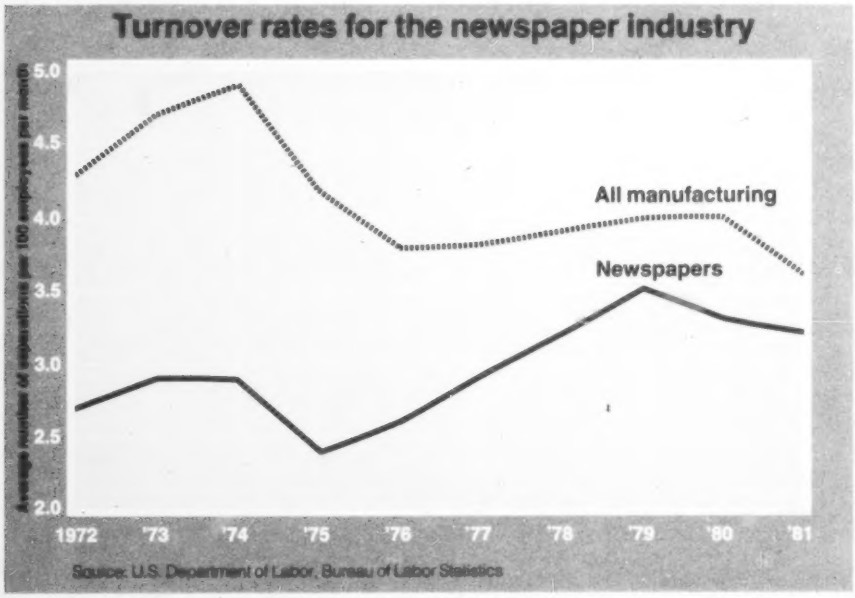
More generally, adopting progressive personnel policies is a means of reducing excessive turnover. Publisher David H. Reiley notes that the Somerset (Pa.) Daily American saw its turnover rate decrease after taking a number of steps, including instituting a wage and salary program to assure competitive compensation, and developing a better system of communication. "Not only are more employees staying around," says Reiley, "but productivity has gone up steadily."

What else can be done to control turnover? Personnel relations specialists say personnel administrators must also concentrate on developing strong recruitment programs to be sure the right kind of people are hired for the job.

Improving orientation and follow-up programs for new employees as well as emphasizing supervisory training will increase satisfaction among workers, they say. Investing time and resources in career planning and counseling activities also will pay off by helping employees meet their goals.

Most important, says Tom Kamerer, manager of human resources planning at the Chicago Sun-Times, "Be honest and realistic and communicate to employees what they can expect from the company in earning potential, mobility and career opportunities." When possible, he suggests, make meaningful changes in job duties, rotate employees, or give them temporary assignments or special projects.

"It may be much easier to sweep turnover problems under the rug," notes Kamerer, whose company investigated turnover problems in the industry 15 years ago, "but the bottom line is cost to the organization, which can't be ignored." □



Figures are calculated on the average number of employees leaving the organization per 100 employees per month. Therefore, a newspaper employer with 200 employees during 1981 lost an average of 6.4 employees per month.

Arbitrate now, federal judge tells newspaper

A dispute between The Seattle Times and The Newspaper Guild over the newspaper's code of ethics should proceed to arbitration, a federal judge has ruled.

At issue was the appropriate time for the parties to resolve their differences over the code. Local 82 of the Guild wanted to arbitrate the issue immediately, while the company preferred waiting until a specific application of the code brought the matter to the fore.

The union charges that some of the code's provisions, especially those concerning "outside activities" of employees, conflict with its labor agreement.

An arbitrator ruled in 1982 that the Times violated the agreement when it directed an editorial employee to withdraw as a candidate for a seat on a water commission board [presstime, Oct. 1982, p. 50]. A Guild official said the code's outside-activities clause "restricts legitimate activities of our members beyond the terms of the contract."

U.S. District Court Judge Barbara J. Rothstein ruled that the union seeks to arbitrate a "legitimate grievance." She said a contract violation may occur "in the form of prior restraint" before any "direct action is taken against an employee."

(Rothstein is the same judge who ruled against the Times and the Seattle Post-Intelligencer last year in their subsequently successful effort to form a joint operating agreement [presstime, May 1983, p. 28].)

Eaton H. Conant, an industrial relations professor at the University of Oregon, has been selected as the arbitrator. The arbitration hearing is set for Dec. 13-14.

(Seattle Times Co. v. Pacific Northwest Newspaper Guild, Local No. 82, USDC WD Wash., No. C83-58R) □

Renfroe gets new title

Patricia P. Renfroe is the new executive director of the Newspaper Personnel Relations Association. Renfroe, also manager of personnel relations for ANPA, previously had the NPRA title of executive secretary-treasurer. □

AFL-CIO head seeks to prevent affiliation of ITU, Teamsters

By Clark Newsom
presstime labor writer

The question of whether the International Typographical Union should pursue affiliation with the Teamsters has become an issue in the presidential race between incumbent Joe Bingel and challenger Robert S. McMichen.

The election for a three-year term beginning Jan. 1 will be Nov. 16.

McMichen, the incumbent first vice president, is calling for a merger with the Graphic Communications International Union. Bingel, meanwhile, is engaged in preliminary merger discussions with the Teamsters.

The possibility that the ITU might merge with the Teamsters is viewed so unfavorably by AFL-CIO President Lane Kirkland that the nation's top labor leader has put his reputation on the line. He is using his influence in an attempt to ward off an ITU-Teamsters affiliation and to push for a merger of the ITU, the GCIU and The Newspaper Guild.

Unlike the Teamsters union, which was kicked out of the AFL-CIO a quarter of a century ago for alleged corrupt practices, those three newspaper-related unions are members of the labor federation. "The entire existence and history of these (three) unions has been dedicated to representing workers within the (printing and publishing) industry," Kirkland said in a statement issued during the AFL-CIO convention in Hollywood, Fla., in early October.

"Their merger is the best solution to the needs of the workers in this industry which has been so dramatically impacted by new technology and automation," said Kirkland, who arranged a meeting between leaders of the three unions during the convention.

Guild President Charles A. Perlik Jr. responded by saying his union is "quite willing to participate in the Kirkland initiative." If nothing works out, he said the Guild will pursue a merger with the GCIU.

A second meeting between leaders of the ITU, GCIU and Guild was held Oct. 25 at AFL-CIO headquarters in Washington.

Kirkland's action has set up a potentially major and ego-filled battle between the federation head and the Teamsters president.

In his statement, Kirkland said that if the ITU goes through with a merger with the Teamsters, "immediate separation" of the ITU from the AFL-CIO would result. Bingel subsequently fired off a letter to Kirkland saying there will be no "precipitate decision" on a merger with any union.

"The ITU membership, by constitutional referendum, will make the final decision in a calm, deliberate way," Bingel noted. He added that if an ITU-Teamsters merger were to go through, he would work toward getting the Teamsters back in the AFL-CIO.

Bingel said he was proceeding in discussions with the Teamsters as required by a convention mandate to explore merger with other unions. He added that although the ITU would welcome a proposal from the GCIU and the Guild, and would "listen carefully" to any "meaningful" proposal, "so far, the ITU has received only one concrete proposal—from President (Jackie) Presser of the International Brotherhood of Teamsters."

"We are not shopping around," Bingel told presstime. "We want to get the facts."

He reported that ITU Secretary-Treasurer Thomas W. Kopeck and ITU General Counsel Ronald Rosenberg met in mid-October with Teamsters General Counsel Robert M. Baptiste and General Secretary Ray Schoessling to exchange financial information and to define and "formalize" Presser's proposals, which were first outlined during the ITU's August convention. At that convention, the delegates voted against a committee report recommending approval of a merger with the Guild [presstime, Sept. 1983, p. 32].

Lane Kirkland

Jackie Presser

Presser proposed that the ITU become an autonomous national division of the Teamsters. In a telegram sent to ITU local officials, Bingel noted that under the Presser proposal, ITU representatives would continue to service ITU local unions, ITU headquarters would remain in Colorado Springs, dues would not be increased, and the present retirement program would be continued and supplemented.

"Since it is critical that our membership not be misinformed," Bingel said, "I have ordered that no piecemeal descriptions (of the proposed merger) be floated, leaked or otherwise put on the street, even by well-meaning members of the ITU."

Labor specialists said there is strong support for the Teamsters' bid among many ITU mailer locals and among the ITU's 24 international representatives. "The international reps, who have considerable influence with the rank and file, seem to favor affiliation with the Teamsters," said ANPA Manager/Labor Relations Charles Cole. □

Contract settlements

Cincinnati Post, Guild: Two-year agreement covering editorial and library employees; retroactive to March 1, 1983.

Houston Chronicle and Houston Post, ITU: Three-year agreement covering mailroom employees; retroactive to July 15, 1982.

(Details in November 1983 ANPA Labor & Personnel Relations Letter.)

Conference scheduled on human resources

The annual ANPA Labor and Personnel Relations Conference will be Jan. 9-11 at The Pointe Tapatio resort in Phoenix.

The conference provides a forum where senior newspaper executives can discuss developments in human-resources management and labor relations, as well as the effects of legislation and government regulations on employee relations.

Registration fee is $225. For further information, contact Roy W. Anderson, vice president/human resources, at The Newspaper Center. □

Negotiated Pension Plan in good shape, ITU feels

Officials of the International Typographical Union Negotiated Pension Plan expect it to continue to lose participants in the next five years. But they also expect to be able to increase the plan's benefits.

That and other information about the current and future status of the plan was provided by a battery of ITU pension plan officials to members of the ANPA Labor and Personnel Relations Committee, other newspaper executives and officers of the Printing Industries of America and the Printing Industries of Metropolitan New York.

The ITU plan is funded solely by employers. There are 1,750 employers contributing, only 146 of which are newspapers. Approximately 28,000 workers are active participants in the plan, about two-thirds of whom are newspaper employees. There are about 17,200 beneficiaries.

The Sept. 26 meeting in Washington, D.C., afforded the management representatives a rare look at a report from the multiemployer pension plan's actuary. Prior to last April, when the plan's trustees changed their policy, the actuary's reports were not made public because of concern their contents might be "misconstrued and abused," according to James F. Gill of the New York City law firm Robinson, Silverman, Pearce, Aronsohn & Berman, counsel to the plan [presstime, May 1983, p. 24].

Numbered copies of the "actuarial valuation and review" by Martin E. Segal Co. of New York were distributed at the meeting and later collected. The report, dated July 5, reviewed the plan's performance from Jan. 1 through Dec. 31, 1982, and made projections for the future.

According to the report, the number of active employees participating in the plan declined 7.5 percent last year, from 31,144 to 28,804. Michael H. Kaplan, senior vice president of the Segal Co., called that percentage drop unusually large and said it stemmed in part from the high level of "buyouts" at the New York Daily News and the closing of major newspapers in Cleveland and Buffalo.

In fact, the fund has experienced contraction each year since 1975 when the Segal Co. began serving as the actuary, Kaplan reported.

Despite these annual contractions, "the fund has improved its actuarial position" because of increases in the contribution rate and the return on fund investments, he reported.

This year's decrease—primarily from mortality, turnover, disability and retirements—is expected to be 5.6 percent, from 28,804 to 27,179.

Kaplan said a subcommittee named by the plan's trustees has estimated that the plan will continue to lose participants at a rate of up to 2,000 a year over the next five years.

The estimate was made in conjunction with a study on how much the plan's benefits can be increased. Despite the projected contraction, Kaplan said, preliminary indications are that there can be a "considerable increase in the future service benefit formula." He said the study will be completed for a Nov. 10-11 meeting of plan trustees.

Under federal law, negotiated multiemployer pension plans must be fully funded within a 40-year period. For the ITU plan, that period began Jan. 1, 1977. Multiemployer plans also must be fully funded on a prorated basis in each of those 40 years.

Gill reported that in each year since 1977 the plan has had a surplus in its standard funding account, which determines whether a plan is meeting its funding requirement. At the end of 1982, it had a total surplus of $35 million. "For all practical purposes," he said, "there is no need for real concern on the part of employers with that kind of a cushion." He said the plan was 22 years ahead of its minimum funding requirement under law.

At the end of 1982, Gill said, the plan's unfunded liability was $118 million, and he said it should be fully paid off in about 12 years. He also reported that assets of the plan recently exceeded $300 million.

In addition, he pointed out, at the end of 1982 the plan—because of its healthy position—eliminated all employer withdrawal liability. "We believe that the elimination of withdrawal liability will ease the concern of employers and will encourage participation in the ITU NPP," ITU President Joe Bingel, who also serves as the chairman of the pension plan's board of trustees, said in a recent notice to members.

Gill (center) discusses the plan as (from left) Administrator Carl E. Hatton, Kaplan and Bingel listen.

Gill noted both the elimination of withdrawal liability and the absence of termination liability to employers in the "unlikely event" the plan were to fold. "We think we have come a long way in allaying the fears . . . on the part of employers with respect to the liabilities imposed . . . by law," he said.

It also was disclosed at the meeting that:

- The plan's 1982 income totaled $55 million—$28 million from contributions and $27 million from investments. The plan paid out $24 million in benefits.
- The return on investments in 1982 was 10.74 percent. The fund has earned $145 million in interest and dividends since its establishment in 1966.
- Delinquent payments by employers last year were 2.5 percent, much of it occurring in the New York area from commercial shops.
- The average rate of contributions in 1982 increased from $3.48 to $3.62 per shift.
- The average monthly pension in 1982 was about $110 compared to $107 in 1981.

"While the information we got was both interesting and useful, it still does not solve the overriding question of the pension plan's financial soundness," said John B. Jaske, vice president/labor relations and assistant general counsel of Gannett Co. Inc. "We know what they anticipate the contraction (in plan participants) will be, (but) we don't know whether what they anticipate is accurate or what effect that will have on the plan's financial soundness." □

Guild endorsement of Mondale renews credibility clash

In 1972, The Newspaper Guild endorsed George McGovern's presidential candidacy, and there was an uproar. Questions were raised over whether the union's action affected the objectivity of member reporters and photographers who covered the campaign. The commotion was so great that the union did not endorse candidates in 1976 and 1980.

But now the Guild has endorsed former Vice President Walter F. Mondale for President in the 1984 election, and debate has renewed over the wisdom of its backing a candidate.

Guild President Charles A. Perlik Jr. said a majority of the union's 16-member International Executive Board authorized participation in the AFL-CIO's pre-primary endorsement. He also said he informed local unions that he would ask the executive board for authorization to participate and did not receive any objections.

The endorsement of Mondale reflected Perlik's personal choice. Unlike some other unions, such as the Communications Workers of America, the Guild did not poll the rank and file before casting its votes for the former vice president.

With the affirmative votes from the Guild and many other unions, delegates to the AFL-CIO's convention in October ratified the labor federation's endorsement of Democratic candidate Mondale. □

Daily upheld in dispute over designated holidays

The San Antonio Light did not violate its labor agreement with Local 25 of The Newspaper Guild when it designated Friday, Dec. 24, 1982, as the Christmas holiday and Friday, Dec. 31, as the New Year's holiday, an arbitrator has ruled.

The agreement states that employees "shall be granted" certain holidays "or days observed as such with full pay." The union argued that the newspaper could not make a unilateral determination of the days to be observed, but Arbitrator Thomas J. McDermott said if the union's interpretation of "or days observed as such" was accepted, "it would have the effect of giving no meaning whatever to that phrase." □

Suit over lifetime jobs gets go-ahead

A federal judge has denied motions to dismiss a $40-million antitrust suit filed by a group of former printers at the now-defunct Cleveland Press.

The printers allege that the closing of the Joseph Cole-owned paper in June 1982 and the purchase of certain of its assets by The Plain Dealer of Cleveland was part of a conspiracy to deprive them of a guarantee of lifetime employment [presstime, April 1983, p. 48].

The job guarantee was part of the labor agreement between Typographical Union No. 53 and the two newspapers. The agreement provided that the guarantee would end if a publisher went out of business but that it would continue in the event of a merger.

In rejecting motions by the defendants to dismiss the suit, U.S. District Court Judge Ann Aldrich said there is a question as to whether the transaction constituted a merger.

(Province v. Cleveland Press Publishing Co., USDC Northern Ohio, No. C83-847) □

Additional arbitration awards

Detroit Free Press, Guild: Mark L. Kahn ruled that the company did not violate the labor agreement by prorating pension fund contributions for full-time employees who were paid less than a full week.

Detroit News, Teamsters: Gabriel N. Alexander sustained the discharge of a circulation employee for misappropriating subscriber discount coupons.

Detroit News, Teamsters: Richard Mittenthal ruled that a delivery driver who had been underpaid through a payroll error was entitled to be reimbursed for his loss from June 1978 to the present rather than from April 1976 as requested by the union.

Washington Post, Guild: Laurence E. Seibel upheld the layoff of a key-punch operator in the data processing department.

(Full texts available from the ANPA Labor and Personnel Relations Department at The Newspaper Center.)

NLRB elections

Austin (Texas) American-Statesman, GCIU: Pressroom employees voted 24-5 against further representation by South Texas Newspaper Printing Pressmen and Graphics Communications Union No. 43.

(NLRB Case No. 23-RD-524)

Columbus (Ohio) Dispatch, Guild: Circulation department employees voted 70-10 in favor of continued representation by Local 13 of The Newspaper Guild.

(NLRB Case No. 9-RD-1155)

Fort Lauderdale (Fla.) News and Sun-Sentinel, GCIU: Janitorial employees voted 5-4 against further representation by Printing and Graphic Communications Union No. 46.

(NLRB Case No. 12-RD-516)

Fort Lauderdale News and Sun-Sentinel, GCIU: Photoengravers voted 18-8 against further representation by the Graphic Communications International Union.

(NLRB Case No. 12-RD-508)

Fort Lauderdale News and Sun-Sentinel, IAM: Pressroom machinists voted 7-6 in favor of continued representation by District Lodge No. 40 of the International Association of Machinists and Aerospace Workers.

(NLRB Case No. 12-RD-494)

Harrisburg (Pa.) Patriot and Evening News, GCIU: Photoengravers voted 10-3 against further representation by Graphic Arts International Union No. 14.

(NLRB Case No. 4-RD-1122)

Redding (Calif.) Record Searchlight, ITU: Circulation district advisers, circulation clerks and dock workers voted 8-7 against representation by Typographical Union No. 993. In a related action, newsroom employees, who had been represented by an independent editorial association, voted to affiliate with the ITU.

(NLRB Case No. 20-RC-15643)

Small family groups still outnumber the giants

By Margaret Genovese
presstime staff writer

Big names in the newspaper world—Gannett, Knight-Ridder, Newhouse, Cox, Hearst, etc.—are household words.

Not so for names like Dix, Small, Jones, Schurz and Shaw. They represent some of the smaller and hence lesser-known newspapering families. But numerically, they far exceed the "biggies."

According to the tabulation of newspaper analyst John Morton, there are 160 daily newspaper groups. All but about 25 are "basically family operations," and the vast majority of them fall into the small-group category.

Levels of family involvement in such groups vary tremendously, from situations where the family has no part in day-to-day management of the properties, to the company with one or two family members involved, to the company that is a real family affair. Each situation is "as different as you can imagine," says Morton.

For an example of broad family involvement, consider the Dixes of Ohio. Since Albert Dix and his son E.C. Dix bought the weekly Wooster Republican in 1897, there have been, it seems, dozens of newspapering Dixes. It's a veritable Dix dynasty, and it's a difficult family tree to chart.

There's Raymond E. Dix, one of four sons who followed E.C. into the newspaper business. He is president of the Wooster Republican Printing Co., the holding company of the Dix's family enterprises, which include eight daily newspapers. His twin, Robert C. Dix, is president of Record Publishing Co. in Kent/Ravenna, Ohio, publisher of the Record-Courier there. Brother number three, Gordon C. Dix, is publisher of the Crescent-News in Defiance, Ohio. Until his death last March, brother four—Albert V. Dix—also was a publisher, at the Times-Leader of Martins Ferry, Ohio.

The next generation of Dixes is chock full of newspaper executives, too. Albert E. Dix, son of Albert V. Dix, is publisher of The State Journal in Frankfort, Ky. Robert C. Dix Jr. succeeded his uncle Albert V. Dix as publisher in Martins Ferry. David E. Dix, another of Robert's sons, and G. Charles Dix, son of Gordon, are publisher and business manager, respectively, of the Kent/Ravenna daily. Timothy Dix, yet another son of Robert, is a Colorado Springs attorney who serves as company attorney and corporate secretary.

Finally, R. Victor Dix, son of Raymond Dix, is publisher of The Daily Record in Wooster—the successor of the original weekly bought by his grandfather.

By Dix family standards, the involvement of the Small family in its newspaper group of seven dailies is relatively modest. Four family members are part of the group's managerial team and are the company's sole stockholders.

Jean Alice Small is chairman of the board of Small Newspapers and publisher of The Daily Journal in Kankakee, Ill. Her son, Len R. "Rob" Small, is president of the group and publisher of The Daily Dispatch in Moline, Ill. Another son, Thomas P. Small, oversees the group's Western division, which includes The Roseville (Calif.) Press-Tribune and one of four weekly publications owned by the family. The daughter, Jennifer J. Small, is a Washington correspondent for the group.

Assessing advantages. What are the advantages, disadvantages and future prospects of these smaller, family-owned newspaper groups?

According to family business expert Peter Davis at the University of Pennsylvania's Wharton School, the major advantage of family businesses "comes down to an ability to support an entrepreneurial type of management—to be quicker, more decisive in decision making, to pull in the necessary resources in order to make the business a success, to maintain privacy and confidentiality and strong internal consensus."

Davis, director of Wharton's Applied Research Center, says this situation is important in a "dynamic environment" like that of the newspaper business, 'where you have consolidation of the industry taking place,

Raymond E. Dix

Jean Alice Small

John M. Jones

Franklin D. Schurz Sr.

where you have the need to strike out in new directions away from print and into new media."

Moline's Rob Small agrees that there is an advantage in the ability of family members to "get together and move fast" without having to justify their actions to outsiders. He cites the launching of a Sunday newspaper at The Daily Dispatch; it took just three months to make and implement the decision. "The lead time for a public company for something like that would be much, much longer," he says.

The consolidation of ownership and management, which typifies a family business, also is advantageous, Small says, because the perspective of a "manager" tends to be short-term while that of an "owner" is usually long-term.

In addition, he points out, a family-held private corporation doesn't have to be concerned, as publicly owned companies are, with reporting steadily increased earnings every quarter. "You can put money into the news department that simply will not yield a return in terms of profits for a great long period of time, if ever."

A related advantage is that family members owning private groups don't have to spend time and money to prepare for meetings of securities analysts.

Some problems too. Family ownership does have its drawbacks, though. Chief among them are squabbles among members who often have divergent interests.

In fact, León A. Danco, president of the Center for Family Business in Cleveland, believes that if family-owned newspapers eventually die off, it will be because of "internecine warfare" rather than the conglomerate tendencies of large, media corporations.

Wharton's Davis agrees that the major day-to-day problem for family businesses is keeping the "emotional issues" of family life from spilling over into and dominating the business.

Albert Dix puts it this way: "You can't separate it—a family connection is just there. No matter what you do, you have a love for family and a respect for family that necessarily is part of the business. Whether you like it or not, it is there. It is how you deal with it that makes the substantial difference."

The Dixes deal with the problem by trying to run their group "in as strictly a business-like manner as is possible," he says.

Benjamin Flowers Shaw
Founded family business in 1851

For example, the group is about to institute a training program for the next generation of Dixes who want to become involved in management. Heretofore, if a family member wanted to join the business, he (there were no family women seeking to join) was taken on.

Already, the group has an executive committee that meets once a month to review developments at the far-flung Dix holdings, which include, in addition to the newspaper properties at which Dixes work, three others dailies, 15 weeklies, a TV station, four radio stations and two cable TV systems.

But while there obviously is an abundance of Dixes to run things, this is not always the case for family-owned groups. The fact that individual family members may have varying interests can lead to a diminution in the ranks.

In the case of John M. Jones, whose newspaper group consists of two dailies and five nondailies, his three sons were involved in the operation at one point, but "unfortunately, two have left," he says.

The latest departure will take place this month when Alex S. Jones, who has been editor of The Greeneville (Tenn.) Sun, assumes an editorial position with The New York Times. In 1978, John M. Jones Jr. left the business to enter religious work. The third son, Gregg K. Jones, remains in charge of all operations outside Greeneville, including The Daily Post-Athenian in Athens, Tenn.

Finding sufficient interest in the family to continue the business is one reason family newspapers and groups are sold, says John M. Jones. Others, he says, include management and estate problems.

The latter is especially troublesome. Sometimes, families have to sell their newspapers, including whole groups in some cases, because of exorbitant estate taxes that become due upon the death of a principal owner.

Franklin D. Schurz Sr. says he would rather see Schurz Communications Inc. go out of the control of the family and into the hands of employees than become part of a larger group. Accordingly, Schurz has developed an employee stock ownership plan that he expects to result in the eventual transfer of majority ownership of the South Bend, Ind.-based group to the employees, as has occurred in a few other cases [presstime, Sept. 1983, p. 45].

But while the Schurz group of eight dailies, which dates from the 1870s, considers an eventual shift to employee ownership, a family group that may be the oldest in the country insists that it's going to keep the reins at home.

Fifth-generation newspaperman Thomas D. Shaw, general manager of the Dixon Evening Telegraph, says he has been told the group is the oldest with continuous family ownership in Illinois and, possibly, in the United States. The business was founded in 1851 by Benjamin Flower Shaw, who, among other things, was one of the founders of the Illinois Republican Party and joined with 11 other Illinois editors in endorsing the candidacy of Abraham Lincoln for president in 1860.

The Shaw group now consists of seven dailies and a number of non-dailies, and Thomas Shaw said he expects the group to flourish into a third century.

To what does he attribute the group's longevity? His great, great, grandfather "just loved newspapering," says Shaw. "I think that has carried on through the generations." □

Newhouse takes IRS to court over $914.2-million tax bill

Lawyers for the estate of the late Samuel I. Newhouse have filed suit in U.S. Tax Court accusing the Internal Revenue Service of making a "shocking and totally uncalled for charge" of tax fraud by the estate executors.

The IRS has asked the estate to pay nearly a billion dollars—$914.2 million—in estate taxes and penalties after disagreeing with Newhouse officials mainly about the allocation of different types of stock of Advance Publications Inc., one of the closely held corporations of the Newhouse family, and other holdings. How the stock is allocated makes a big difference in the value of the taxable estate.

Donald E. Newhouse

The government contends that for tax purposes virtually all Advance stock should be considered part of the estate. The IRS said Advance is worth $1.231 billion. The estate claimed that other family members held portions of the stock, not just the late Newhouse, and the value of Advance is closer to $178.8 million.

IRS contends that the overall taxable estate is worth $961.6 million, and that the total federal estate tax should be $658.1 million. Newhouse officials said in their estate tax return that the taxable worth is $90.9 million, and that the tax owed is $48.7 million. The IRS is seeking $609.5 million in additional taxes and $304.7 million in civil penalties.

Newhouse attorneys asked the Tax Court to seal records of the case for competitive reasons. The court denied the motion.

Newhouse attorney Charles Sabin of New York City said representatives of the estate and IRS initially agreed on the overall valuation of Advance Publications, but they could not agree on allocation of that valuation to the several classes of stock.

"Every effort was made by the executors to come to agreement with the government, but those efforts were fruitless," he said.

The government then decided to "increase the valuation of the company by a substantial amount," Sabin said. "Further, and for the first time and at the last moment, and without previous notice or discussion, (the government) took the position that the executors were involved in civil tax fraud for willfully under-valuing the shares."

The Newhouse attorney contended that the charge was "an obvious and crude tactic on the part of the IRS to force a settlement—on patently unfair terms—by intimidation."

Wilson Fadely, IRS public affairs officer, disputed that claim. "We just wouldn't do that because this is going to be heard in U.S. Tax Court. We wouldn't put ourselves in that position," he said. "We examine the tax and make our decision on that." He would not comment further.

The late Newhouse founded the publishing empire that includes 31 daily newspapers, Conde Nast magazines, book publishing, and numerous broadcast television and radio stations and cable television systems across the country.

The executors of the estate are the founder's sons, Samuel I. Newhouse Jr. and Donald E. Newhouse, who is a member of the ANPA Board of Directors.

Sabin said the executors promptly filed the estate tax return after their father's death and have made payments on the balance due as required. "Most importantly, every step, every decision taken by the executors was based on advice of two highly respected and outstanding advisors," Sabin said. The advisors were Chemical Bank of New York and the investment banking firm Goldman Sachs & Co.

The Newhouse estate filed suit against the IRS in U.S. Tax Court, Washington, D.C., but trial will be held in New York at the estate's request. Dates have not been set.

In the meantime, Newhouse officials said efforts will be made to reach a "just settlement . . . short of any concession of civil tax fraud." □

Canadian purchase of Houston Post may spark trend

Purchase of the venerable Houston Post by the brash young Toronto Sun appears to mark the beginning of a long-anticipated march of acquisition-minded Canadian publishers into the U.S. newspaper market.

The purchase agreement, for $100 million plus the undisclosed working capital of the Post, was announced Oct. 17 to Post editorial staffers.

"It's probably the beginning of a trend" by cash-in-hand Canadians frustrated in efforts to expand their publishing domains within their own country, noted Bruce Thorpe, newspaper analyst at Lynch, Jones & Ryan.

He referred to the Canadian government's proposed Daily Newspaper Act, legislation which would prohibit newspaper groups with more than 20 percent of the total national circulation from expanding by buying additional Canadian newspapers.

"They're frustrated in their desire to expand up there," said Thorpe. "Their desire to expand means more bidders for U.S. properties."

It appeared, however, that the purchase of the Post means abandonment, at least for now, of the Sun's interest in buying another on-the-market, big-city U.S. daily, the Chicago Sun-Times.

The Toronto Sun Publishing Co. cast its eyes south of the border after a cash infusion last year, when it sold a 50-percent interest in the company to Maclean Hunter Ltd., publisher of the Canadian news magazine Maclean's, for $55 million (Canadian).

Sun Publisher J. Douglas Creighton said the new owners will spruce up the Post with greater use of color and indicated other editorial changes are likely, although he said there are no current plans to convert the Post to a tabloid, like the Sun.

Creighton indicated there are no immediate plans for the Sun to pursue earlier interest in buying the Chicago Sun-Times.

The Sun, launched in 1971 in anticipation of the failure of another Toronto paper, has grown to become Canada's fourth largest daily with such features as a daily picture of a scantily clad woman and-

lately—a companion "beefcake" view of a barechested man.

But the influence of Creighton, who huddled with Post executives in Houston after the purchase agreement announcement, was expected to lead eventually to new efforts to drive the Post's circulation over that of its competitor, the Houston Chronicle. The morning Post's weekday circulation is now 395,786, compared to the all-day Chronicle's 438,860.

The Post, founded in 1885, is the 18th-largest U.S. metropolitan daily.

Its owners, the Hobby and Catto familes who make up H & C Communications Inc., cited tax considerations and changing interests of shareholders when they announced July 19 that the Post was for sale.

Texas Lt. Gov. William P. Hobby, Post president and son of Board Chairman Oveta Culp Hobby, announced the agreement to Post staffers. The families will continue to own several radio and TV stations not included in the sale. Also excluded from the sale are the paper's old downtown printing plant and a portion of the site in Houston's Galleria shopping mall where the Post's administrative, editorial and production facilities are located. The Sun will lease the downtown plant.

The transaction was handled for H & C Communications by Lehman Brothers Kuhn Loeb Inc. and for the Toronto Sun by Burns Fry Ltd. □

Columbian bankrupt, may fold

The Columbian of suburban Vancouver, British Columbia, was on the verge of closing its doors in late October.

The 21,155-circulation, family-owned daily—the oldest newspaper in the province—was declared bankrupt in British Columbia Supreme Court Oct. 14. Trustee D.C. Selman, vice president of the accounting firm Peat Marwick Mitchell Ltd., said he would keep the evening daily operating through Nov. 5 in hopes of finding a buyer, or to allow Executive Director R.D. "Rikk" Taylor to make a new proposal to creditors.

Last June, creditors approved a proposal under Canada's Bankruptcy Act to restructure the newspaper's payments. At the time, the company had liabilities of about $7.3 million (Canadian) and assets, if put into bankruptcy, of $6.5 million [presstime, July 1983, p. 60]. Taylor said a broker's appraisal of the pre-bankruptcy assets was $14.8 million.

Taylor, who owns 38.3 percent of the company's common shares, and his aunt, Mary Emes, who holds the balance, have offered to sell 50 percent or more of their shares to relieve the company's debt. "This would make the company extremely attractive to any buyer since the relieving of debt would provide positive dividends to an investor," Taylor said.

He noted that the company, Columbian Co. Ltd., which includes five weeklies and a commercial printing division in addition to the daily in New Westminster, has turned around from a $2-million loss in 1982 to a profit in the last three months. "Major reductions in operating costs have been accomplished through cooperation of employees and reduction of staff," he said.

Taylor said more than 100 employees have expressed interest in employee ownership and have pledged about $700,000 to support a new creditors' proposal to keep the operation alive.

Trustee Selman noted that the company had not been able to find sufficient financing to carry out its original creditors' proposal. If a company defaults on a proposal, it automatically goes into bankruptcy.

Taylor said the firm owes $2.5 million to the Royal Bank of Canada, $500,000 to a mortgagee and $1.5 million to other creditors.

If the company goes under, New Westminster would lose a $7-million-a-year payroll, Taylor reported. The company has 200 full-time employees, 150 part-time workers and 700 carriers.

Separately, a semi-weekly in North Vancouver announced plans to add four more editions a week beginning next Feb. 2.

The North Shore News, which does not distribute in The Columbian's area of eastern Vancouver suburbs, will continue to publish its free, 55,000-circulation paper Wednesdays and Sundays. In addition, it will publish a paid, street-sales-only paper Mondays, Tuesdays, Thursdays and Fridays.

Associate Publisher Robert Graham said he expects to sell about 3,000 copies a day at 25 cents each. □

KRON not for sale; Gannett deal off

Gannett Co. Inc. and Chronicle Publishing Co. of San Francisco have called off their agreement for Gannett to buy KRON-TV of San Francisco.

Gannett Broadcasting Group President Jeff Davidson said Chronicle officials decided to take the station off the market.

Gannett was to have acquired the Bay Area station from Chronicle Publishing in exchange for about $100 million in cash and Gannett's Oklahoma City television station KOCO.

To avoid violating newspaper-broadcast cross-ownership rules of the Federal Communications Commission, Gannett said, it sold The Tribune of Oakland earlier this year to Tribune Editor and Publisher Robert C. Maynard and Los Angeles attorney Paul R. Greenberg.

Gannett's KRON acquisition came under fire from Scripps League Newspapers, which owns four newspapers in the San Francisco Bay area. It said it would oppose the acquisition in FCC proceedings [presstime, Aug. 1983, p. 39]. □

Business notes

There was so much interest in the long-awaited public offering of **stock in Tribune Co. of Chicago** that the company decided to sell more shares than originally planned.

An issue of 5.5 million shares had been planned, but 7.7 million common shares actually were offered. They were listed on the New York Stock Exchange Oct. 12 at $26.75. More than 830,000 shares were traded the first day, with the stock closing at $28.50. It was trading at just over $28.25 in late October.

The company executed its previously announced 4,800-1 split of 7,393 shares Oct. 3 [presstime, Aug. 1983, p. 39].

• • •

The official roll-out of **The Washington Post National Weekly Edition** will take place Nov. 7.

Cover price is $1 per copy, and the charter subscription rate is $39 annually.

The tabloid-sized weekly contains material from daily Post editions on government, politics, the economy and diplomatic affairs [presstime, May 1983, p. 61]. □

AP sets modest 5.5% increase, but phone costs are uncertain

Despite heavy costs predicted for covering the Olympics, political campaigns and elections next year, the Associated Press membership assessment increase for 1984 will be the lowest in 13 years, 5.5 percent.

The primary reason for the relatively small increase is an anticipated surplus this year that will be carried over to help meet expenses next year, said AP Chairman Frank Batten, chairman and chief executive officer of Landmark Communications Inc. of Norfolk, Va. Batten said the surplus will be a result of efforts on the part of AP management to reduce expenses.

"We've never felt more positive about the resources of the AP to handle the dual challenge of covering news worldwide and developing the technology to keep pace with it," he added.

However, a cloud on the horizon is uncertainty over telephone rates. AT&T Sept. 30 proposed increased rates that would cause a 69-percent hike in AP telephone-based communications costs, Batten said.

AT&T asked the Federal Communications Commission for a $20-billion rate increase effective upon divestiture of AT&T's operating companies in January. The filing took into consideration the FCC's proposed access charges that long-distance companies will pay to local phone companies for use of local lines.

The FCC in mid-October said it would postpone a decision on AT&T's tariff—and implementation of the access charge—until April 3 because the commission's staff needs more time to consider the case.

AP, UPI and other wire services said they will oppose the increase. AP and UPI officials also said, however, that their growing satellite delivery systems will help absorb the shock of ballooning phone rates.

AP's budget for 1984 will increase slightly more than 4 percent, to $196 million, said President and General Manager Keith Fuller. Revenue will top $200 million, including revenue from a new partnership to market and distribute Telerate computerized financial information services outside the United States, he said.

Meanwhile, the AP board continues to grapple with the question of how to revise its basic assessment formula for newspapers. The current system contains some elements that many publishers believe are obsolete.

AP's Fuller (left) and Batten review budget figures over the shoulder of former AP Chairman Paul Miller.

The AP board instituted a separate rate-structure change last year. Under the new plan, AP splits a geographic-area service cost among member companies regardless of whether they publish one or more editions in a 24-hour span. Previously, newspapers paid according to how many editions they produced.

The new plan irritated some publishers of one-edition papers who now pay the same as a company that publishes an all-day paper or both a morning and evening paper [presstime, Dec. 1982, p. 45].

The Detroit Free Press said it faced an especially heavy rate increase because of the change. As a result, it filed notice that it would not renew its AP service when it expires next year. J. Scott Bosley, Free Press managing editor/features, said the notice was rescinded after the Free Press and AP worked out a system by which the newspaper could work up to the higher rate over a period of time.

UPI has not yet set rates for 1984. Its 1983 increase was 6.3 percent. □

Canada rests case in antitrust trial of newspaper firms

The trial of Southam Inc. and Thomson Newspapers Ltd. on charges they violated Canada's Combines Investigation Act has entered its second month in Ontario Supreme Court.

The charges stem from the August 1980 closings of The Winnipeg (Manitoba) Tribune by Southam and the Ottawa Journal by Thomson, as well as Southam's acquisition of full control over the two daily newspapers in Vancouver, British Columbia.

Also involved is the September 1979 closing of the Montreal Star by F.P. Publications Ltd; F.P. was acquired in January 1980 by Thomson.

The government alleges that Southam and Thomson conspired to divide newspaper markets and set up monopolies for themselves.

Each of the groups faces three counts of conspiracy to lessen competition, three counts of forming a merger and two counts of forming a monopoly.

On Oct. 13, Judge William Anderson granted a government request to amend one of the counts in the indictment. His action had the effect of separating the government's charge of a conspiracy in the Montreal newspaper situation from its charge of a Winnipeg-Ottawa-Vancouver conspiracy.

The government concluded its presentation of evidence on Oct. 6. Defense lawyers have subsequently moved to dismiss all charges on grounds that the government had not proved its case. The court had not acted on the motion at press time.

The non-jury trial began Sept. 19 [presstime, Oct. 1983, p. 52]. □

Reuters forms panel to study stock sale

The board of directors of Reuters Ltd. has established a committee to study the possibility of a public stock sale.

The highly profitable company is owned by a trust jointly held by press of the United Kingdom, Ireland, Australia and New Zealand [presstime, Aug. 1983, p. 38]. □

Reading gloves: gimmick whose 'Times' has come?

So far, newspapers aren't exactly going along hand-in-glove with a novelty item which is supposed to absorb newspaper ink rub-off and keep readers' hands clean.

Entrepreneurs are marketing cotton gloves called "Gloves for the Times."

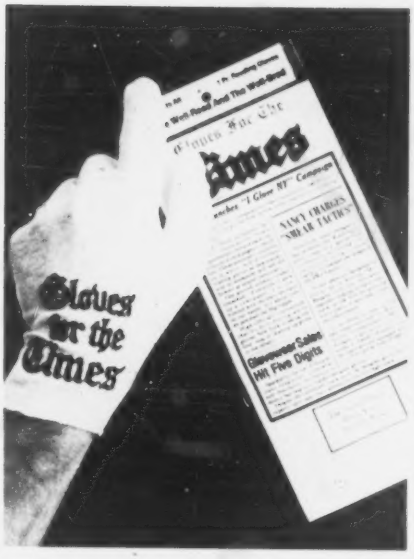
But The New York Times is not happy about the similarity between the logo printed on the gloves and the Times' nameplate.

The gimmick is the brainchild of 25-year-old Todd E. Kessler, a New York City-based producer/director for the Entertainment Tonight television program. He and his family have formed Gloves for the Times Inc. in Newark, N.J., to market the product.

When the one-size-fits-all gloves (white, 100-percent cotton with a black logo) were test marketed in New York City's bloomingdale's department store earlier this year, 12 dozen pairs were sold in one day.

Kessler, who admitted his family hopes they have the 1983 equivalent of the "Pet Rock" on their (ink-free) hands, said in addition to bloomingdale's, he has received orders from Macy, Bamberger's, and Broadway stores. The gloves have a suggested retail price of less than $7.

The so-called "reading gloves" have not gone unnoticed by The New York Times Co. According to Leonard R. Harris, director of corporate relations, his company was concerned that the typeface used for the gloves' logo was so close to that used in the paper's nameplate that they might be mistaken for an "official" product of the paper. The two companies agreed that after the existing stock of gloves is depleted the typeface in the logo will be changed. □



Reading glove: another pet rock?

Recent acquisition

Jefferson Pilot Publications Inc., Greensboro, N.C., acquired the Mineral Wells (Texas) Index, daily circulation 5,102. □

Boston Globe signs five-year pact on minority hiring

The Boston Globe has begun a five-year affirmative action program to increase minority hiring and purchases from minority businesses.

Among other things, the program provides that 25 percent of full-time hires each year will be members of minority groups. Patricia P. Renfroe, ANPA manager/personnel relations, said that the commitment, a voluntary one, may be unprecedented for the newspaper business.

The program began Oct. 14 with the signing of a statement by Globe Board Chairman William O. Taylor in a ceremony attended by the Rev. Charles R. Stith, a black leader in Boston.

Professor James L. Medoff of the Department of Economics at Harvard University will monitor the program. "Much of the hiring will be in editorial," Medoff said. The plan provides that the minority hiring will not infringe on commitments made to unions.

The Globe also has begun to search for a member of a minority group to sit on the newspaper company's board of directors. "However, as in the past, potential contribution to the company, not demographic characteristics, is the key determinant of who will be chosen for the board," Medoff said. □

'Shoe' **By Jeff MacNelly**

PRODUCTIVITY REALLY STINKS AROUND HERE, YOU PEOPLE....
SO I'VE HIRED A MANAGEMENT CONSULTANT TO SEE IF HE CAN STRAIGHTEN OUT THIS SHOP.
READY, CONAN?...
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10/8

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letters

Goal of accrediting is to improve quality, and it works

A grand job by the September presstime on journalism education. I particularly appreciated the wrap-up by Dean Dennis, including his seven indicators of quality for journalism schools. His list parallels the basic guidelines for accreditation as set forth by the Accrediting Council on Education in Journalism and Mass Communications.

As usual in a complex subject, some items get lost in the shuffle. Let me address a few.

1. In all the discussions of journalism education and accreditation in Editor & Publisher and presstime this past year, I have seen no mention of a basic purpose of accreditation, the student. Accreditation began as an academic effort to improve and maintain quality. As it evolved, it also has served as one of our first consumer protection agencies. One goal, perhaps the only goal, of a visiting team on accreditation is to determine if the student is getting his or her money's worth. If we concentrate our studies of the accrediting process on the value of the school to the individual student, we will clear away considerable clutter about internships, the 75-25 percent formula, and faculty salaries.

2. The considerable attention paid to accrediting by national publications this year stemmed almost entirely from episodes at two schools, Northwestern and Boston University. Each is a special case, but in both I think one question has been overlooked: are the journalism programs at these schools worthy of accreditation?

As to Northwestern, I have no opinion simply because our visiting team was ordered off campus in a manner I can most charitably describe as uncivil. . . .

I have read the reports on the visits to Boston University and talked to those who wrote them. I doubt anyone who does that would question their recommendation that the program at Boston does not fit normal standards for quality journalism education. . . .

Mention has been made of Michigan and Stanford. I think the administrators there are mistaken in their arguments that accreditation is not useful for them, but it's their decision and, I think, their loss.

3. As with any pleader, I do protest that with the attention given the problems of accreditation and of J-schools, little has been said about the gains. Anyone who visited a journalism school a few decades ago, as I did at Missouri in the late 1930s, and visits one now must remark on the amazing strides taken to turn out more professional graduates. . . . One reason, I am satisfied, is accreditation and the desire of deans to keep up with accrediting standards. . . .

4. Finally, I hope publishers read the complaint of one educator quoted in presstime: "I find that publishers and editors are often more isolated from journalism education than journalism educators are from the professional field." Most of the sharpest criticism of journalism education has come from publishers who haven't ventured on campus since graduation, who give little newspaper or financial support to their own university's program, who judge an entire program on the basis of one new reporter who can't spell or doesn't know how to operate his word processor.

I became involved in accrediting simply because I think our profession . . . is deserving of at least as much care and skill as that accorded law. Law schools are held to strict account by accrediting teams. Journalism schools should be on at least as high a plane.

Stuart Awbrey
Editor and publisher
The Hawk Eye
Burlington, Iowa

Editor's note: Awbrey is a member of ACEJMC representing Inland Daily Press Association.

Process was more trouble than it's worth

In presstime's September article on journalism education, there is a reference to the University of Michigan's withdrawal from the accreditation process because the faculty "felt accreditation no longer fit their program." Unfortunately, this might be read as indicating that we are moving away from journalism education. This emphatically is not the case; our commitment to the best possible professional training is stronger than ever.

The program, which we decided not to have reaccredited last year, is almost identical to the one that was previously accredited without difficulty. Our decision was simply that the process was more trouble than it was worth—too demanding of staff time, too expensive in an era of tight budgets, too disruptive of teaching and administrative routines for several weeks. It was a decision based on the relationship between effort and productivity.

William E. Porter, Chairman
Department of Communication
The University of Michigan
Ann Arbor, Mich.

Questioning preprints

Regarding your article on preprinted inserts (August), about all we hear of this phenomenon is "how great they are."

What about the apologies that are often issued by the retailers after distribution: typos, out-of-stock items, etc.?

What about the recipients who pull all of those inserts out of their newspaper or mailbox and dispatch them, all in one fell swoop, into the trash can?

What about the newspaper publishers who are slitting their own throats by carrying preprints at a ridiculously low price per copy?

What about the possibility that newspaper display ad salespeople are simply being outsold by the insert peddlers?

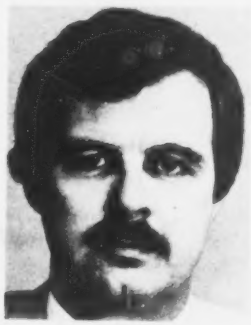
What about the eventuality that preprints are another Americanized fad that will soon lose appeal when the big retail trendsetters find some other gimmick or return, as they probably will, to newspaper display?

What about the possibility that newspapers will always be newspapers and direct mail is here to stay, and the difference is not only important but necessary?

Percy A. Conarroe
Editor and publisher
Louisville (Colo.) Times

speeches

W. J. Pennington



Douglas E. Evans

Howard R. Brown

Fred W. Friendly

Single copies of the following speeches are available without charge from the ANPA Public Affairs Department at The Newspaper Center, Box 17407, Dulles International Airport, Washington, D.C. 20041:

- **Speak Out About the Newspaper's Role in Our Society.** ANPA Chairman and President William C. Marcil, president and publisher, The Forum, Fargo, N.D. Iowa Press Association fall clinic, Cedar Rapids, Sept. 17.
- **Progress Report on the ANPA/Newspaper Advertising Bureau Audit Bureau of Circulations Liaison Committee.** John B. Lake, publisher, Times Publishing Co., St. Petersburg, Fla. Pennsylvania Newspaper Publishers Association meeting, Pittsburgh, Sept. 29.
- **The Business of Newspapering.** W. J. Pennington, publisher and president, The Seattle Times. Association of Washington Business annual meeting, Ellensburg, July 31.
- **Future of Communications: Print Versus Electronics.** Douglas E. Evans, vice president of operations, The Globe and Mail, Toronto. Canadian Circulation Managers Association annual conference, Toronto, Sept. 27.
- **Making Promotion Work.** Donald B. Towles, vice president and director of public affairs, The Courier-Journal and The Louisville (Ky.) Times. National Newspaper Association annual meeting, Louisville, Sept. 22.
- **Status Report on VDT Health Issues and Legislation.** Dr. Howard R. Brown, chairman of the ANPA Environmental Committee and medical director of The New York Times Co. Joint luncheon of the ANPA Government Affairs and Labor and Personnel Relations committees, Washington, D.C., Sept. 27.
- **Keynote Address.** Leo Bogart, executive vice president and general manager, Newspaper Advertising Bureau. Advertising Research Foundation mid-year conference, Chicago, Sept. 14.
- **Newsprint Supply and Demand.** Joseph F. Prendergast Jr., ANPA manager newsprint and traffic. International Newspaper Controllers and Finance Officers annual meeting, Denver, Oct. 19.
- **Open Government Issues.** U.S. Sen. Patrick Leahy (D-Vt.). ANPA Government Affairs Committee meeting, Washington, D.C., Sept. 27.
- **Self-Inflicted Wounds: Judges and Journalists.** Fred W. Friendly, senior program advisor, media and society seminars, Columbia University Graduate School of Journalism. California State Bar annual meeting, Anaheim, Sept. 11.

ANPA calendar

November

ANPA Foundation Executive Committee meeting
The Newspaper Center, Reston, Va.
Nov. 2

ANPA Newsprint Committee Canadian Pulp and Paper Association Newsprint Section meeting
Pulp and Paper Research Institute of Canada, Pointe Claire, Quebec, Nov. 3-4

ANPA Foundation Research About Newspapers Seminar
The Newspaper Center, Reston, Va.
Nov. 11-12

ANPA International Circulation Managers Association Newspaper Personnel Relations Association Circulation Managers Workshop
Hotel Continental, Chicago, Nov. 14-16

ANPA Executive Committee meeting
Boca Raton Hotel and Club, Boca Raton, Fla., Nov. 15

December

ANPA ASNE APME Leadership in the Newsroom Workshop
Chicago Marriott, Dec. 5-7

ANPA Foundation Board of Trustees meeting
Vista Hotel, Washington, D.C., Dec. 7

ANPA Board of Directors meeting
The Newspaper Center, Reston, Va., and Vista Hotel, Washington, D.C., Dec. 7-8

ANPA Press Bar Relations Committee meeting
Gannett Co., Inc., New York City, Dec. 9

ANPA American Bar Association Task Force meeting
Gannett Co., Inc., New York City, Dec. 9

January

ANPA Labor and Personnel Relations Conference
The Pointe Tapatio, Phoenix, Jan. 8-11

ANPA technical committees' meetings
The Newspaper Center, Reston, Va.
Jan. 10-11

ANPA Offset Press and Plate Seminar
The Newspaper Center, Reston, Va.
Jan. 16-20

ANPA Board of Directors meeting
Lyford Cay Club, Bahamas, Jan. 23-25

ANPA Management Development Workshop
Westin South Coast Plaza, Costa Mesa, Calif., Jan. 23-27

ANPA Advanced Labor Relations Seminar
Kona Kai Club, San Diego, Jan. 30-31

ANPA Separation Techniques for Newspaper Reproduction Seminar
The Newspaper Center, Reston, Va., Jan. 30-Feb. 3

February

ANPA CPPA Technical Section Joint Standing Committee meeting
Don CeSar Hotel, St. Petersburg, Fla.
Feb. 9-10

ANPA International Newspaper Promotion Association Newspaper Executives Marketing Seminar
Sheraton International Conference Center, Reston, Va., Feb. 12-18

ANPA NPRA Personnel Practices, Procedures and Policies Seminar
Westin

ANPA Offset Press and Plate Seminar
The Newspaper Center, Reston, Va.
Feb. 13-17

ANPA Management Introduction to Newspaper Technology
The Newspaper Center, Reston, Va.
Feb. 27-March 2

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